STATE GOVERNMENT SURVEY COMMITTEE

TASK FORCE REPORT

"HEALTH AND WELFARE SERVICES OF THE STATE"

1952

State Services Committee

of the

Pennsylvania Citizens Association

Table of Contents

"F"	Proposed Revision of Pennsylvania Legislation Relating to Hospitals - Law School and Institute of Local and State Government, University of Pennsylvania
"G"	Staff Report on State Owned Institutions for Children in the Department of Public Instruction
"H"	Staff Report on State Appropriations to Voluntary Organizations in Pennsylvania
"I"	Staff Report on Vocational Rehabilitation
"J"	Staff Report on Penal Affairs
"K"	Staff Report on State Expenditures and Administration of Child Welfare Services
"L"	Staff Report on State Veterans' Relief

PENNSYLVANIA CITIZENS ASSOCIATION

For Health and Welfare

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November 7, 1952

Mr. Francis J. Chesterman, Chairman
State Government Survey Committee
P.O. Box 231
Harrisburg, Pa.

Dear Mr. Chesterman:

Pursuant to your request to me as president of PCA, there has been prepared the attached report setting forth our recommendations to the Governor's State Government Survey Committee as to changes which we believe should be made in the administration of the State's health and welfare services, if they are to be operated at a lower net cost to the taxpayers of the Commonwealth.

At the time you gave us this assignment, our concept was to bring up to date the study prepared by the Public Charities Association in 1945, A review of this problem indicated, however, that the recommendations needed adequately to meet our responsibility to you had to be considerably broader in scope. The attached report should therefore be read by itself, without reference to any former work. We believe it represents a blueprint useful to an administration which is firmly determined to introduce economies into the operation of the covered services.

We hope you realize that with the short space of time at our disposal and with no grants especially to finance this work, it was not possible to prepare as detailed recommendations as could otherwise have been presented. We do not feel that this is a weakness, however, inasmuch as the adoption of the management principles and program herein recommended must precede the actual spelling out of the various detailed plans for improvement.

We have not attempted to set forth the actual dollars-and-cents savings which may ultimately be effected. There are certain expense reductions which may immediately be effected, which will more than pay for the cost of reorganization herein suggested. Beyond this, if this program will in any way measurably increase the effectiveness of the

State's health and welfare services, presently costing the Commonwealth $300,000,000 a biennium, it can easily be seen that very substantial dollar economies are involved.

We hope that this report will be of value to you in making your over-all recommendations to the Governor. It has been a privilege to serve you in this important field of endeavor.

Very sincerely yours,

(Signed) Charles H. Frazier
President

CHF:B:E

PART I

INTRODUCTORY STATEMENT

At the invitation of Mr. Francis J. Chesterman, the Pennsylvania Citizens Association for Health and Welfare, in April 1952, agreed to appoint a special committee to serve as a "task force" to make studies and recommendations to Governor Fine's State Government Survey Committee in connection with the structure and administration of Pennsylvania's health and welfare services, to the end that these services might be more effectively and efficiently provided. It was then agreed that the principal task of the committee would be to bring up to date a report on these services previously issued by the Association in 1945. That document dealt primarily with the need for reorganization, and attempted only indirectly to analyze other steps which might be needed to improve efficiency and economy.

Mr. Thomas B. Harvey, a Vice President of the Association, was appointed chairman of this 1952 PCA State Services Committee, which was composed of representative members of the Board of Directors of the Association, drawn from key areas of the Commonwealth, and representing a broad cross-section of interest, background, and professional skills.

After a careful consideration of the problem, this Committee agreed not only that it would be necessary to review, and perhaps bring up-to-date, the previous PCA report, but beyond that, to expand its work both

to take a careful look at the effectiveness of the current health and welfare operation and to develop specific means of reducing costs. A direct on-the-spot survey of operations at the State Capitol was therefore undertaken by the Committee's staff personnel, namely, A. David Bouterse, PCA Executive Director and Mrs. Mary T. Denman, Legal Counsel and Staff Advisor.

The following report summarizes the Committee's findings and recommendations. It also presents additional descriptive and informative material in explanation of these recommendations. The major body of the report will be found in Section II, Summary of Recommendations and Section III, Explanation of Recommendations. In addition to the report itself several appendices are provided, consisting of certain descriptive material and additional comments and suggestions provided by the staff. The latter documents do not necessarily bear the endorsement of the Committee itself.

The Committee wishes to emphasize the importance of considering its recommendations for the administration of Pennsylvania's health and welfare services as an integrated whole; many of its parts are completely dependent for their successful application on other sections of the report and cannot stand alone. It is particularly important to observe that no plan involving reorganization will solve the need for developing a Pennsylvania welfare administration of the calibre needed effectively to meet the program demands upon it, unless equal importance is placed on the selection of personnel for the reorganized structure on the basis of merit, and unless the direction of each Department is undertaken by a highly qualified career administrator.

PART II

SUMMARY OF RECOMMENDATIONS

The Committee's recommendations concerning State health and welfare services fall into three broad groups, namely, those concerned with departmental organization and administration - aimed at improving performance and only indirectly relating to cost; those involving direct reduction in expenditures; and general observations resulting from the analysis made by the Committee.

A. Organization and Administration

It has not been possible to make a detailed estimate of financial savings involved in the following recommendations for the reorganization and improved administration of Pennsylvania's health and welfare services. It is clear, however, that they will result in a degree of improved performance which will lead either to measurable savings or to better services without commensurate increases in cost.

It is recommended that:

1. All State functions relating to health, welfare rehabilitation, institutional operations and public assistance be combined in a single administrative unit, titled Health and Welfare Administration, with a chief executive officer appointed by the Governor as a member of his Cabinet; the administration to be subdivided into five major operating departments, namely: Penal Affairs, Social Welfare, Public Assistance, Health Services and Mental

Health; and such central planning and control units as are required for the operation of a unified program.

2. The responsibilities of the superintendents of State-owned institutions be redefined to provide a clear line of authority and responsibility from the Governor, through the Administrator of Health and Welfare and the appropriate Secretaries of Departments, to the administrative head of each institution; eliminating the boards of trustees as administrative bodies and replacing them with citizen advisory boards appointed on a non-political basis by the Governor.

B. Direct Financial Savings

From time to time the State has assumed certain responsibilities for the health and welfare of the citizens of Pennsylvania which have become unnecessary or inappropriate with the development of more modern concepts and methods. The abandonment or transfer to other auspices of these responsibilities will result in direct monetary savingsto the State without harm to those who have been benefited in the past. An increase in revenue from certain institutional services is also possible without harmful effects.

It is recommended that:

1. All State-owned general hospitals be trans-

ferred from the Department of Welfare to the Department of Health, with directions either (a) to cause the complete cessation of their operation or (b) further to transfer ownership and operation from the Commonwealth of Pennsylvania to such community hospital corporations or local governmental units as can assume responsibility not later than June 30, 1955. Appropriated 1951-53 for these institutions: $10,045,000.

2. Discontinue State operation of the Soldier's Orphans' Home at Scotland, the Thaddeus Stevens Industrial School at Lancaster, and the Soldiers' and Sailors' Home at Erie, transferring these facilities to the Department of Welfare for use in meeting institutional requirements for other groups (e.g. mentally defective children) and thus avoiding the construction of new facilities at additional cost to the State, or eliminating their operation entirely. Appropriated 1951-53 for foregoing institutions; $1,924,000.

3. Revamp the system now used for collecting fees from persons receiving care in State-owned institutions in order to reduce the amount of service provided at public expense to persons

able to bear these costs for themselves; specifically to place fee collections within the management responsibility of the institutional administrators who are responsible for the services rendered. Example of funds involved is illustrated by data on Mental Hospital income and expenditures. Appropriated 1951-53, $69,840,000; total revenue and reimbursement from all sources (year ended May 31, 1952), $3,963,783.

4. Formal study and action relative to the granting of subsidies to private institutions and agencies from State tax funds be undertaken immediately, in order to insure adherence to the following principles:

   (a) The amount of payment from tax funds for services to individuals should be directly commensurate with the quantity of the service rendered and its total cost, and should not be granted by lump-sum payments or on the principle of budget deficits.

   (b) Payment should be made only for services which meet minimum standards of quality established by competent and recognized authority.

(c) The unit of State Government administering such payments for private service should maintain full fiscal control over the operation.

(d) Subsidized services to individuals should be based on rules of need and eligibility, which apply equally to all citizens of Pennsylvania, without regard to politics or other extraneous factors.

The amount of subsidies to various privately owned and operated medical and welfare agencies and institutions for the biennium 1951-53 totals approximately $20,000,000.

C. Other Observations and Recommendations

In the course of analyzing health and welfare services the Committee has seen indisputable evidence of the need for major changes in certain policies followed by the Commonwealth in these fields. While they do not all relate directly to efficiency and economy, they are nevertheless of primary importance, and recommendations relating to them must play a key role in the total plan of improvement.

It is recommended that:

1. The method of selecting personnel for the administration of health and welfare services - including such matters as classification, compensation, retention, advancement and severance - be based solely on the qualifications

and performance of the individual for the work to which he is assigned.

2. The Secretaries of the five operating Departments and the heads of service and control units in the Health and Welfare Administration be specifically included in the foregoing personnel plan and their salaries be commensurate with their responsibilities, namely, not less than $15,000 per annum.

3. The Administrator of the unified health and welfare services serve at the will of the Governor and be paid not less than $20,000 per annum.

4. In order to encourage local initiative and improved county administration of health and welfare services, and to further a coordinated State-local attack on health and social problems throughout the Commonwealth, further study be given to the problem of local responsibility in these fields, with special emphasis on (1) means for providing close cooperation between, or the unified administration of local health units, the County Institution District program and public assistance, and (2) methods of securing uniform standards of health and welfare service to all individuals throughout the Commonwealth regardless of their place of residence.

5. Within the Health and Welfare Administration greater

emphasis must be placed on the prevention of mental illness, delinquency and dependency than has been the case in the existing Departments of Health, Welfare and Public Assistance. Direct steps must be taken to utilize some part of the savings resulting from earlier recommendations to expand personnel and research for crime prevention, community organization for mental health, and rehabilitative service to persons receiving public assistance.

D. Priorities

The foregoing recommendations cannot be placed in effect simultaneously. Some will require an extended period of more detailed planning and legislative drafting, while others can be scheduled for early attention. The following priorities are recommended:

1. Immediate adoption of an effective merit system for health and welfare personnel. The Committee's plan hinges on a complete overhauling of existing personnel practices; particularly those in the existing Department of Welfare; it cannot be successful under a method of selecting, compensating and promoting personnel which gives precedence to partisan political matters.

2. Immediate transfer of State-owned general hospitals, as indicated, from the Department of Welfare t

to the Department of Health; and the other specified institutions to Welfare for orderly liquidation.

3. Immediate launching of projects for additional study of subsidies to private agencies and institutions and the problem of local governmental organization for health and welfare, with reports of recommendations and a program of remedial action scheduled by 1955.

4. Immediate efforts to increase fee collections in State-owned institutions.

5. Change of boards of trustees from administrative to advisory bodies completed by January 1, 1954.

6. Organization of the new Health and Welfare Administration completed by January 1, 1956.

PART III

Explanation of Recommendations

Certain additional comments and more detailed suggestions are necessary to present a picture of why the foregoing recommendations are considered essential and how they can be put into effect.

A. Organization and Administration

Various theories and organizational ideas in the field of public administration are well enough known to require no elaboration here. The values of unified authority and responsibility (not to be confused with centralized government, per se;) the need to provide clear and direct channels for the execution of administrative policies; the necessity to avoid duplicating functions in more than one administrative unit; the importance of separating work into manageable production items; the converse importance of integrating related functions into a closely knit administrative whole; the organization of direct operating responsibilities in a clearly distinguishable way from service or control functions; the value of relating purpose to organizational structure; these and other administrative "principles" have been learned through decades of closely studied experience in American local, state and national governmental operations.

The 1952 study of health, welfare, public assistance and correctional services in Pennsylvania has shown that many of these lessions either have not been recognized by the Commonwealth, or have been wilfully ignored by those responsible for establishing and directing state services. This neglect has resulted in misdirected or wasted effort, duplication and overlapping in the administration of health and welfare.

Some of these factors are apparent in a summary review of present organizational patterns and responsibilities. The accompanying charts of the three major departments in the fields of health and welfare are presented as an aid to such a study.

CHART A

PENNSYLVANIA DEPARTMENT OF WELFARE

(Charted developed by the Governor's Survey Committee, 1952)

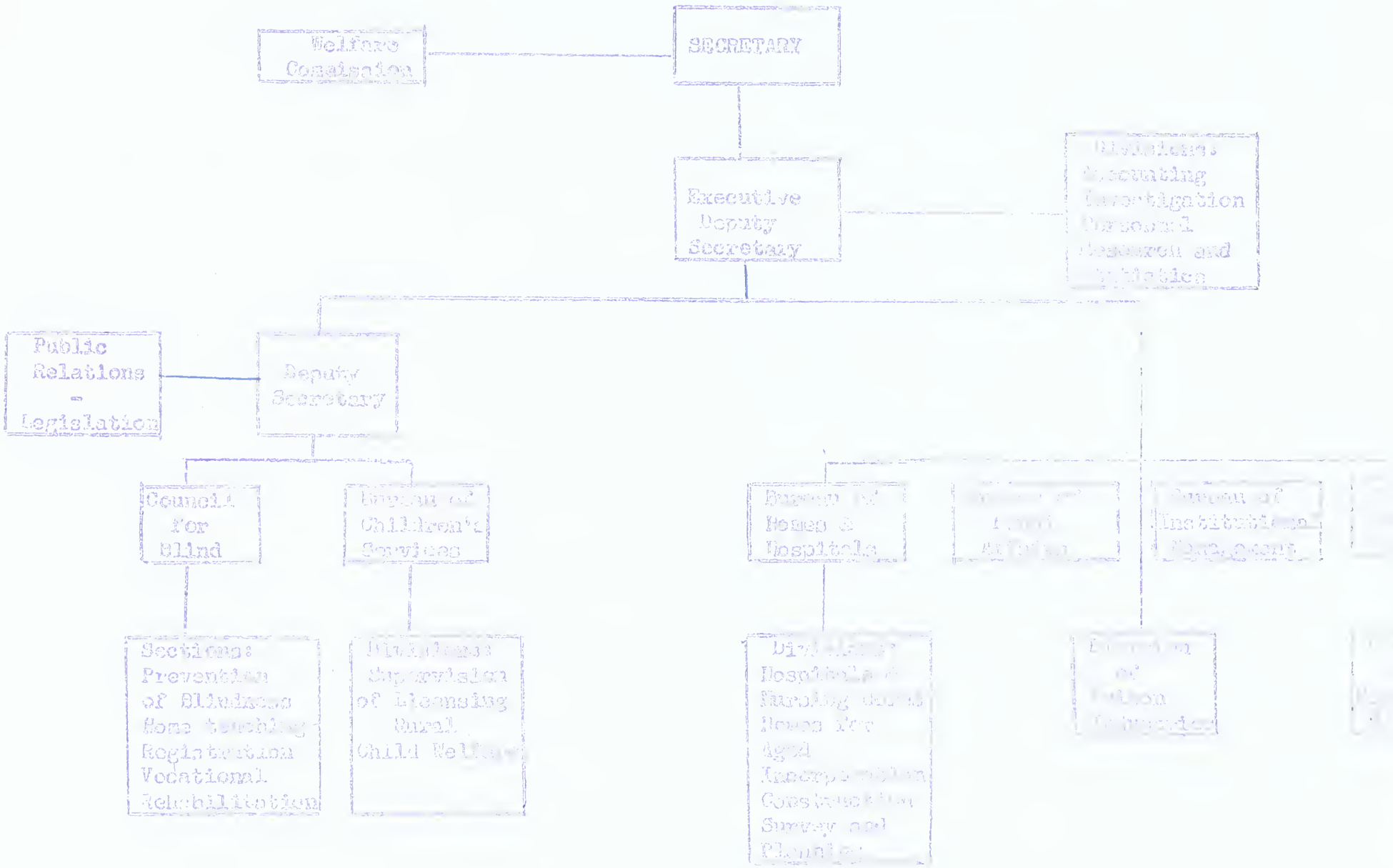

CHART B
DEPARTMENT OF PUBLIC ASSISTANCE
(Chart provided by Department, August, 19[illegible])

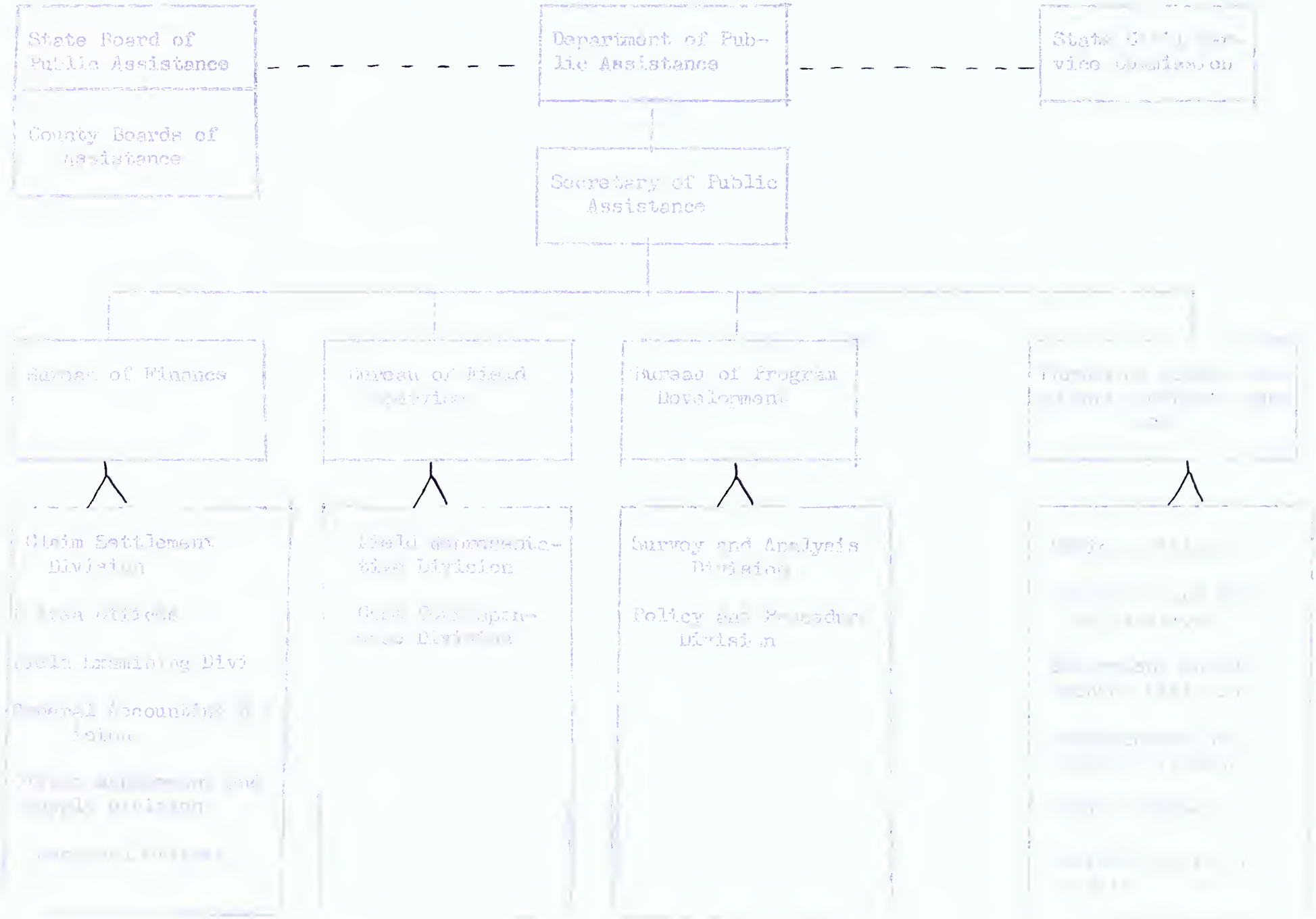

CHART C

DEPARTMENT OF HEALTH

(Proposed Organization. Chart provided by Department, [illegible])

programs of child welfare, and at a time when industrial training was not included in the courses offered by many school districts.

It should be noted that State expenditures for operation of these two institutions have greatly increased in the last four bienniums. For 1945-1947, the appropriation for the Soldiers' Orphans School was $480,000; for the current biennium the appropriation is $881,000. For the Industrial School the appropriation for 1945-1947 was $172,000; for the current biennium the appropriation is $600,000.

Department of Military Affairs has its own public assistance program for veterans, virtually duplicating the work of the Department of Public Assistance; financial aid to children, both in institutions and in their own homes, comes under the direction of both Welfare and Public Assistance; problems of vocational rehabilitation are spread through the Departments of Labor and Industry, Public Instruction, Public Assistance, Health and Welfare.

Lack of Central Direction — No clear method now exists for obtaining uniform policies or central direction of these services in the Pennsylvania State Government. Each Department operates its own program in virtually complete independence of the others, even though their services are clearly related. Departmental heads have no formal means of sharing ideas and developing uniform and consistent policies. Even within the Department of Welfare, there is lack of effective coordination and teamwork; separate institutions and programs operate with only nominal uniformity of direction. An interdepartmental committee on child welfare is the only means observed in this study for the coordination of welfare effort between the separate State departments.

The foregoing serves to illustrate both the close relationship between the various "welfare" functions now lodged in various departments, the present lack of coordination, and the possibility of eliminating duplicating efforts in their administration.

The Solution - a Unified Administration — It is recognized that the proposed creation of a single administrative unit to encompass all State health and welfare functions involves a reversal of the past trends in the development of the state administrative structure. However, it has seemed to the Committee that this would be the most effective method of establishing an organization that meets modern standards of good ~~business~~ public administration.

It has in the past been suggested that the remedy lies in further fragmentation of existing functions and departments, so that responsibilities would be more sharply delineated, and direct access to the Governor would be developed for each interest group and activity. The Committee feels that such an approach would only compound chaos. The administrative structure of a large state such as Pennsylvania is already too unwieldy to justify burdening the chief executive with additional reporting contacts and coordination responsibilities. Furthermore, as shown earlier in this report, many of the service functions overlap and much of the work is already duplicated. An organization which would crystallize and, indeed, further disintegrate this structure could, in the view of the Committee, only lead to greater inefficiencies.

Consideration of these factors, together with an appraisal of the most effective techniques for modern administrative management, has led the Committee to the contrary view - - - namely that the remedy lies in better integration and coordination; and a centralization of responsibility through the channel of a single top-level executive who is immediately accountable to the Governor and to the people for the work of the entire agency. The Committee further believes that the formation of a single Administration for Health and Welfare is in keeping with ideas currently being developed for reducing still further the number of department heads reporting directly to the Governor; and that an effort to apply the principle here suggested for health and welfare to the entire administrative arm of the state government should be made, with the corollary development of a cabinet of more manageable size to assist the Governor in the development of governmental policy.

The single administrative unit encompassing all State health and welfare functions here recommended will cure most of the ills of overlapping and duplication. At the same time, the rearrangement of functions in five operating and two service and control units will contribute positively toward integration and will permit central direction and control and increased efficiency.

The elimination of duplicating service functions between departments will alone result in savings which will be more than enough to offset increases in top-management personnel resulting from the reorganization plan. As to the latter, it is clear that expansion of central staff is required to make the proposed departments of penal affairs and mental health effective. This, indeed, is a central factor in the reorganization plan and must be given high priority attention.

A single Health and Welfare Administration would offer ample scope for the development of devices for improved efficiency and economy. For example, fields of activity such as health education, medical service, protective services to children, etc. will be present to some degree in most of the five operating units suggested, even with the most careful delineation of functions. The Committee believes that the formation of inter-departmental committees on such subjects, under the leadership of the department head most directly concerned, will be a valuable tool and essential if the departments are to work together effectively. There is further suggested the possibility of expanding the influence of the Health Services personnel to coordinate all medical functions in the State Government, whether lodged in the Health and Welfare Administration or not. Other ideas and plans will occur to the leadership of the Administration once this integrated approach to health and welfare matters is adopted.

Expenditures — The fact that expenditures for social services remain at a very high figure year after year adds weight to the need for improved administration and organization.

The 1951-53 general appropriation bill provided the following amounts for health and welfare services:

Department of Welfare	$131,385,940.
Department of Public Assistance	133,514,500.
Department of Health	27,343,000.
Welfare Appropriations to Other Departments	5,647,750.
Total "Welfare" Costs	$297,891,190.

Approximately one-third of the total general State appropriation for 1951-53 was earmarked for welfare purposes. Such large expenditures require strong administrative controls and supervision. It is the opinion of this Committee that these controls are now inadequate and that the reorganization steps here recommended are essential to a satisfactory correction of the situation.

. Boards of Trustees

The major thesis of this report is that Pennsylvania requires an integrated and coordinated system of health and welfare service that will meet the conditions of the Commonwealth as they exist today and not as they were several decades ago. An important part of any plan to provide such a modern administrative structure is the elimination of administrative boards for institutions which logically come under the central direction of the Administrator of Health and Welfare.

The debate over the value of these boards has been waged for many years in Pennsylvania. In 1923, when a large number of welfare institutions were brought under the general supervision of the Department of Welfare, the retention of administrative boards was considered wise and necessary. By 1933 it was widely agreed, however, that they were no longer necessary and that authority should be lodged with a single administrator instead of in a board of trustees.

Since 1933 the situation has remained relatively unchanged. In 1952 the case for retaining these boards rests almost exclusively on the alleged inability of a politically appointed central welfare administration to give proper direction to the highly complex programs now going on in the state's penal, mental and medical institutions. It is contended that boards of trustees offer the last line of protection between these humanitarian services and those who desire to use them for partisan political advantage.

A close study of the situation verifies the truth of this contention. Conversely, however, boards of trustees are themselves politically appointed by the Governor and are sometimes guilty of the very practices they express an interest in opposing.

The remedy lies not in opposing the acknowledged values of placing central authority in a single administrator but rather in eliminating the evils of doing so. The "evil" in this case is the justifiable fear that abolition of boards of trustees will place institutional administrators at the mercy of politically motivated superiors. This committee has nevertheless recommended the abolition of all administrative boards and their replacement with advisory citizens' boards on the assumption that this development will take place as only one part of a total plan of reorganizing health and welfare services; a plan that will include non-partisan, highly qualified direction of the overall health and welfare administration, including institutional services.

Citizen advisory boards can and do serve to make democracy a day-by-day reality in the administration of many governmental services. When conscientious citizens make a determined effort to link community interest with vital governmental programs of human welfare both the service and the people gain; government ceases to be a remote Old World "authority" and becomes a genuine part of the people themselves.

B. Direct Financial Savings.

One of the easiest and clearly one of the fairest ways to reduce State health and welfare costs is to eliminate those functions which have either outlived their usefulness or are inappropriately under State auspices. Two groups of State-owned institutions fall in this category, namely, ten medical and surgical hospitals, two State owned schools for dependent children and one home for veterans.

General Hospitals

The ten general hospitals owned and operated by the Commonwealth of Pennsylvania were either established or taken over from other responsible bodies between 1871 and 1923. All were originally founded for the treatment of persons injured in the anthracite and bituminous coal mines of Pennsylvania before enactment and enforcement of the Workmen's Compensation Law and before the establishment of a Statewide network of privately owned and operated general hospitals.

These State-owned institutions no longer serve the primary purpose for which they were established, but have become general institutions for public use. That this system has been obsolete for at least twenty years is indicated by a report of the Joint Legislative Committee on Finances (1933, Hon. Philip Sterling. Chairman) which stated that, "The acceptance of these institutions by the Commonwealth has apparently taken place sporadically under political influence. In view of this, and of the serious question regarding the necessity of the State assuming this burden at all,

it seems impossible under present conditions to defend the continuance of the general hospital program. If such a program is to be financed at all by the Commonwealth, the distribution of the benefits should be felt in all sections, not in a very small number of counties."

When the foregoing report was written in 1933 facilities for medical care were considerably less adequate than they are in Pennsylvania today. Yet even then the Sterling Committee considered them to be an unnecessary drain on State funds. For the Commonwealth of Pennsylvania in 1952 to be heavily engaged in the field of general medicine and hospital care is even less defensible. During the current biennium (1951-53) more than ten million dollars of State general tax funds will be expended to maintain these institutions.

Schools for Dependent Children

Two State-owned institutions for the education of orphans and other dependent children are operating on biennial budgets totalling almost a million and a half dollars; namely the Soldiers Orphans School at Scotland, $881,000. and the Thaddeus Stevens Industrial School at Lancaster, $600,000. These units were established many years prior to the inauguration of current programs for veterans and their dependents, and before modern foster care resources were developed for dependent children. Institutional programs of this nature are no longer needed in Pennsylvania; yet they continue to consume large sums of tax money. At the same time other needs go unmet, particularly those relating to mentally deficient children. The Commonwealth plans to erect a new institution for the care of this group.

Improved Fee Collections

Mental hospital care has traditionally been virtually a free service in Pennsylvania for any one who either cannot pay or who resists rather superficial efforts to collect nominal fees imposed by the State. In the medical and surgical hospitals it is even more rare for a patient to bear a substantial part of the cost of his treatment and care.

Part of the difficulty of improving fee collections rests in the fact that the hospital administrator, who is responsible for the care of his institution provides, has no control over these collections, and his interest and concern for the problem is often completely ignored. The superintendent usually knows that neither his institution nor his patients will benefit from increased collections; no "credit" accrues to the institution by virtue of larger fee collections, and no loss results from failure to recover normal charges. Fees are simply credited by the Department of Revenue - the responsible collection agency - to the State's general fund.

No accurate estimate can be made of the savings to the State of improved collection practices. Some idea can be gained, however, by the data which showed that <u>all</u> revenue for State operated mental hospitals totalled only about eleven per cent of costs. The following report shows all revenue and reimbursements credited to the General Fund for the year ended May 31, 1952 for the State's mental hospitals.

Allentown	288,750.28
Danville	248,521.44
Farview	307,476.13
Harrisburg	311,814.81
Norristown	838,185.27
Torrance	238,824.37
Warren	297,151.37
Wernersville	308,369.44
Philadelphia	293,083.59
Western State Psychiatric	8,889.45
Woodville	288,190.71
Clarks Summit	63,205.81
Embreeville	32,664.78
Hollidaysburg	60,030.07
Lancaster	-
Mayview	201,436.49
Retreat	69,737.80
Schuylkill Haven	-
Somerset	39,083.43
Blakely	-
Mercer	-
Ransom	-
Dixmont	68,367.63
Total	$3,963,782.87

This Committee believes that care in State hospitals should be presumed to be available at uniform cost for all patients except those who are economically unable to meet these charges; that the latter group should be permitted to pay on the basis of scales established to conform to their financial ability; that the proportion of patients who receive care at no cost whatever probably should not exceed the proportion of the general population who are eligible for public assistance under Pennsylvania law. This Committee believes - though it cannot prove - that at least $10,000,000 annually can be collected from the families of hospital patients on the basis of the foregoing principles of collection.

The importance of placing this entire problem under the immediate management and direction of the hospital administration cannot be overemphasized. Fee collection from mental patients is especially delicate and should be pursued only with the approval of the psychiatrist in charge.

Subsidies to Private Agencies and Institutions

One of the practices in health and welfare administration in Pennsylvania which seems open to the greatest question is the distribution of tax funds to various private agencies and institutions with virtually no uniform control by the Commonwealth over the amounts involved or the calibre or the extent of the services rendered in exchange for payment. This subject is reviewed in detail in a staff memorandum appearing in the appendix of this report.

It is the opinion of this committee that the question of these subsidies should be given much more careful thought and study than has been possible in connection with the 1952 Governor's State Government Survey Committee. Almost $20,000,000. of state tax revenue is involved.

Is the present method the most economical for the state? Does it insure the best care for individuals needing it? These and other questions require detailed study and analysis and should be given high priority in future plans to improve Pennsylvania's health and welfare system.

This committee believes the following principles should govern the use of all state tax funds used for the purpose of aiding private agencies and institutions providing health or welfare services to individuals:

(a) The amount of payment from tax funds for services to individuals should be directly commensurate with the quantity of the service rendered and its total cost, and should not be granted by lump-sum payments or on the principle of budget deficits.

(b) Payment should be made only for services which meet minimum standards of quality established by competent and recognized authority.

(c) The unit of State Government administering such payments for private service should maintain full fiscal control over the operation.

(d) Subsidized services to individuals should be based on rules of need and eligibility, which apply equally to all citizens of Pennsylvania, without regard to politics or other extraneous factors. The amount of subsidies to various privately owned and operated medical and welfare agencies and institutions for the biennium 1951-53 totals approximately $20,000,000.

It appears that none of these principles is now followed in distributing tax subsidies. This Committee believes the failure to adhere to suitable standards in this regard leaves loop-holes for [redacted] which could become [redacted] detrimental to the Commonwealth.

C. Other Observations and Recommendations.

Personnel System

Evidence of the destructive effect of political sponsorship in the selection of the State's personnel for health and welfare is overwhelming. Many of the recommendations contained in this report on the State's health and welfare services are applicable <u>only</u> if the selection, advancement and retention of personnel is based on merit and the State's personnel system operates in an atmosphere of dedication to service, rather than with the aim of dispensing political patronage.

In conducting this study, it has been noted in particular that political pressures on the personnel in the Department of Welfare are detrimental to the effectiveness of this unit. High pressure methods of securing financial contributions for political purposes and political activity during working hours by state employees seem to be common practices. Due to these and other causes morale within the department had sunk so low at the time of the survey that drastic efforts were obviously required to replace fear and resentment with loyalty and dedication to this particular service.

The Department of Health also operates on the basis of political sponsorship of personnel, although a merit system has been endorsed by the newly-constituted Advisory Health Board, and has been forwarded to the Governor for approval. Even under the new system scheduled for adoption, however, the Department of Health will have two personnel units: one dealing with employees selected on the basis of merit; the other dealing with employees selected because of their political affiliation. The mere fact that such a condition can exist after the adoption of a so-called "merit system" is itself indicative of the need for a thorough housecleaning of the Commonwealth's personnel practices.

There has been much debate over the merits and demerits of the existing Pennsylvania Civil Service system. This committee recognizes the validity of many of these criticisms. It is convinced, however, that even a weak Civil Service program is better than a system where personnel selected to deal with human problems must necessarily adhere to a partisan political organization as a prerequisite to employment.

The patronage system has long been exposed as a method not of securing high quality personnel for government, but only of advancing the interests of political machines. The question necessarily arises, does Pennsylvania want good government or only good party organization? If it wants (as it badly needs) high quality performance, it must discard its obsolete method of selecting personnel through the patronage route and install a firm, modern and workable system of personnel administration based on merit alone.

One of the most telling points on the need for a workable merit plan for the new Health and Welfare Administration relates to the problem of getting and keeping high quality administrative personnel. Competition for qualified administrators grows keener year by year in all fields. The Commonwealth of Pennsylvania can hope to attract really able men to its service only if it can convince them that it offers genuine opportunities for successful careers under high professional standards.

Health and Welfare Leadership

It is especially important for the top leadership of the proposed Health and Welfare Administration to be of the highest possible quality if the new unit is to be successful. Two factors of major importance in this connection are: adequate salaries and security of tenure. It is recognized that the Administrator of the unified program should be a member of the Governor's cabinet and serve to his pleasure. This principle might also apply to a single deputy Administrator, although this committee has not recommended the inclusion of this post in the new structure.

The secretaries of the five operating departments and the leadership of the control and service units should all be highly qualified, career men or women who will provide continuity and professional content to their respective responsibilities. Possibly the greatest single weakness in Pennsylvania's present system of welfare administration is the scarcity of such leadership. Departmental heads are usually selected for their political skills rather than their aptitude for welfare administration. Too many bureau chiefs lack specific training and experience in the work they are employed to direct. The hazardous practice of appointing persons to head bureaus or departments who continue to maintain connections with other remunerative positions or business should cease. Governmental administration should be a full-time activity for all who are employed in it.

This committee has recommended the payment of relatively high salaries to Health and Welfare Departmental chiefs and to the Administrator with the conviction that a slightly larger investment of funds for top leadership will pay real dividends in more efficient operations. The salary costs of seven department chiefs at $15,000. each (viz., Penal Affairs, Health Service, Public Assistance, Social Welfare, Mental Health, and two control and service chiefs) and an Administrator at $20,000. total $125,000. A unit which spends more than $150,000,000. annually should be worth this investment in qualified leadership. The sum can be recovered quickly by the single devise of a workable plan of increasing revenues from institutional fees.

Local Governmental Health and Welfare Services

Although this committee was not asked to include local governmental services for health and welfare in its analysis, it considers this problem to be of such paramount importance that a few observations on this subject are nevertheless included.

Welfare services to individuals are almost by definition primarily a problem of local community concern. Involvement by state and national governments has developed as a logical result of high costs and the need for uniformity of services; single communities can no longer finance these programs without outside help, nor can they maintain a consistent pattern of administration by voluntary means alone. The fact remains that health and welfare problems are most effectively met when they are fairly and realistically approached on a community basis.

Pennsylvania has moved in virtually opposite directions in its efforts to evolve workable solutions to the problems of public health administration on the one hand and public welfare and assistance on the other. Local initiative and responsibility have been adopted as the up-to-date way of meeting health needs while central state control has evolved as the pattern in public assistance administration. In both fields progress has been made in bringing some of the advantages of central administration into a workable partnership with local responsibility but much remains to be done in this direction. In the field of child welfare county government and state government have tended to go their separate ways with little or no efforts at partnership (except as provided through certain Federally aided services).

It would seem the time has come in this Commonwealth to undertake as complete a reorganization of local governmental organization for health and welfare as is here suggested for the state. Perhaps a single County Health and Welfare unit is the answer to this need. Such a unit could combine the functions now served by the County Institution District, the local health unit and the county board of assistance.

The legal and administrative difficulties of implementing this proposal are such that this Committee believes additional formal study is required before firm conclusions can be reached. It strongly urges, therefore, that such further study be made so that a comprehensive state-local welfare plan can be placed before the legislature at an early date.

Preventive Services

One of the most obvious deficiencies in Pennsylvania's health and welfare administration is the absence of organized efforts in the field of prevention. Public officials and citizens alike require constant reminder that health and welfare services that are limited merely to the treatment of social breakdown are costly and provide little or no basis for optimism for future reduction in costs. The need or more imaginative thinking concerning measures to prevent mental illness, crime, dependency and other social ills is apparent. It is equally clear that Pennsylvania is making virtually no progress in undertaking long range plans in this direction.

Public Assistance costs require a large share of the state's general revenue. The program is generally well administered and effective in alleviating the economic distress of individuals. It can hardly be considered satisfactory, however, to have "general effectiveness" alone in an administration charged with reaching a basic solution to the problem of dependency. The administrators of Public Assistance must be constantly on the alert to develop new ways of meeting human needs at minimum costs. In Pennsylvania, monetary factors seem to receive a disproportionate share of public and official attention, sometimes at the expense of emphasis on the conservation of human resources. Too much money is spent merely to feed, clothe and house dependent citizens and inadequate attention is given to the "how" and "why" of their dependency.

The Commonwealth's administration of programs for the care and treatment of the mentally ill are similarly lacking in imagination;

approximately $70,000,000. is spent biennually on treatment programs while practically nothing from state funds is allocated for the development of preventive measures. The prospect of reducing these huge tax investments in the mentally ill is dim; in fact they probably will continue to mount until effective measures are developed for preventing severe emotional disturbances in our citizens.

These general observations apply with equal force to the state's method of treating crime and delinquency. In this field, however, there is a reflection of more than mere absence of preventive services; even the so-called "treatment programs" in Pennsylvania's penal institutions lack those elements which are considered essential in a modern correctional system. The failure to establish a classification center is typical of this lack. For the last seven years the State Government has been on record as favoring the use of such a modern institution in an effort to improve the chance of rehabilitating a portion of those persons who become delinquent. In 1952 we are apparently no nearer to securing this modern facility than when it was first approved in 1945.

It is assumed by this committee that the leadership of the Commonwealth understands the foregoing problems. It seems equally clear that the idea of establishing programs to prevent mental illness, delinquency and dependency has widespread public support.
What is not clear is why this combination of public support and official understanding has not resulted in the establishing of such preventive programs in Pennsylvania. This committee has no panaceas or p[illegible] tions for this problem. It feels strongly, however that the new Health and Welfare Administration must give first priority to this issue and use every means at its command to meet it effectively.

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September 17, 1952

I

HISTORICAL BACKGROUND OF PRESENT STRUCTURE AND RESPONSIBILITIES OF THE PENNSYLVANIA DEPARTMENT OF WELFARE

Prior to 1869 there was no central control or supervision of the various charitable and correctional institutions and agencies in Pennsylvania - including those that were State-owned, those private institutions which received State aid, and the various institutions operated by local municipal units - almshouses, children's institutions, jails.

In Pennsylvania, as in other states, State-owned institutions for care of various special groups (mental hospitals, institutions for delinquents, state prisons, institutions for handicapped children) had been established from time to time. These institutions were administered by Boards of Trustees, appointed by and directly responsible to the Governor, but indirectly responsible to the Legislature, from which each institution received its biennial appropriation.

During the 1860s there was evidence in many states of dissatisfaction with the administration of the charitable and correctional institutions within the state. Massachusetts, in 1863, established the first State Board of Charities and Corrections, with power to inspect all charitable and correctional institutions within the state. The Massachusetts plan was followed by other states.

In 1869 the Pennsylvania Legislature created a State Board of Public

Charities. The General Agent and Secretary of the Board was made responsible for visiting and inspecting all charitable and correctional institutions in the State. In Pennsylvania, as in most of the states, the major responsibility of the new State Board was advisory and supervisory.

It should be noted, however, that some states provided for central administration of State-owned institutions. From the first, Rhode Island set up an administrative board and abolished the separate boards for the various State-owned institutions. In 1881 Wisconsin established a State Board of Control, centralizing management of all State-owned institutions in this Board. A number of western states adopted the Board of Control, but in general the eastern states retained the supervisory boards until the end of the 19th Century.

The next major change in structure for administration of charitable and correctional services occurred in the second decade of this century. Across the country various states were expressing dissatisfaction with the administration of these services and other State services, with the multiplicity of independent boards and commissions responsible directly to the Governor, and with the lack of adequate budgetary controls in State Government. State commissions on economy and efficiency were being appointed by Legislatures or by Governors, and invariably the reports of these Commissions recommended central control, but with emphasis on control of purchasing and accounting.

Illinois, in 1917, became the first State to enact an Administrative Code, departmentalizing the functions of State Government and thereby

greatly reducing the number of persons directly responsible to the Governor. In this Code, a Department of Public Welfare was created, with a Director appointed by the Governor. A Board of Welfare Commissioners was provided, but it had only advisory functions.

Like Pennsylvania, Illinois in 1869 had established a Board of Commissioners of Public Charities, which had powers of inspection and recommendation, but almost no administrative powers. But in 1909, the Board of Commissioners of Public Charities was replaced by a Board of Administration, which was given control of the purchasing, the personnel, and the management of the seventeen State-owned institutions, duties that had formerly been divided among seventeen Boards of Trustees. The Illinois Department of Public Welfare, created in 1917, was given the responsibility for administration of the State-owned institutions, which had been carried by the Board of Administration.

Other states followed Illinois in departmentalizing their State Governments, thus reducing the number of persons with whom the Governor had to deal regularly.

The Pennsylvania Department of Public Welfare was established by Act of Legislature in 1921. To the new Department was transferred the powers and duties formerly exercised by the State Board of Charities (1869), The Lunacy Commission (1883), the Mothers' Assistance Fund (1913), and the Prison Labor Commission (1915.) No change was made in the provision for administration of the State-owned institutions.

In 1923, the first Administrative Code was enacted. It included

the Department of Welfare as one of the executive departments. Under this Code the State-owned charitable and correctional institutions, the mental hospitals and general hospitals were made integral parts of the Department of Welfare, but were still administered by Boards of Trustees. These Boards were made Departmental Administrative Boards in the Department of Welfare. The Department, however, was given power of fiscal control of these institutions. These provisions are continued in the Administrative Code of 1929, which is still in effect.

ORGANIZATIONAL STRUCTURE OF THE DEPARTMENT OF WELFARE

Executive Office (established 1933)

Secretary of Welfare

Executive Deputy Secretary

Deputy Secretary
Responsible for supervision of Bureau of Children's Services, and State Council for the Blind. Also responsible for publicity and public relations program of Department and for mechanics of guiding through the Legislature any legislation developed by the Department.

The following Divisions are under the Executive Office:

Accounting Division (under Comptroller)

a. Institutional Accounting

b. Institutional Purchasing

c. Departmental Accounting and Purchasing

d. Tabulating

e. General Files, Library and Mail

f. Storeroom and Maintenance

Division of Investigation

Division of Personnel

Division of Research and Statistics.

Bureau of Homes and Hospitals

Director, Assistant Director, Senior Field Representative

A statement furnished by the Secretary of Welfare shows the following Divisions of the Bureau of Homes and Hospitals

Division of Hospitals and Nursing Homes

Staff: Chief, six field representatives, two stenographers and clerks

Division of Homes for the Aged

Staff: Chief, two field representatives, three stenographers and clerks

Division of Incorporation

(No information as to staff)

Division of Construction

Staff: Chief, three engineers and two accountants.

(Note: The Act of July 5, 1947, P.L. 1335 - Act 527 creates a Division of Hospital Survey and Construction within the Department of Welfare. It also provides for the appointment by the Governor of an Advisory Hospital Council, to conform to the requirements of the Federal Hospital Survey and Construction Act.)

Division of Survey and Planning

(Statement from Secretary of Welfare states that this Division is in process of being organized, and will "comprise personnel in several fields of consultative services to hospitals." This Division is not shown on payroll list from Department of Welfare.)

Bureau of Mental Health

Headed by Commissioner of Mental Health

Staff: Commissioner; three Deportation Agents, who are also responsible for inspection and licensing of private mental hospitals and institutions for mental defectives; occupational therapy consultant, nursing consultant, two psychologists and seven clerks and stenographers.

Division of Community Service

Established 1950, responsible for administration of funds allocated to Pennsylvania under National Mental Health Act.

Staff consists of three psychiatric social workers and four clerks and stenographers.

Bureau of Penal Affairs

Staff: Director, three prison inspectors and three stenographers and clerks.

Prison Industries Division

(Functions independently. Is not a Division in the Bureau of Penal Affairs.)

Staff: Superintendent and assistant superintendent of Prison Labor, eight stenographers, clerks, accountants, etc. and four salesmen.

Also staff of supervisors in each of five State-owned penal and correctional institutions in which prison industry system is operated.

Bureau of Children's Services

Established 1950

Acting Director

Division of Supervision and Licensing

Staff: Chief, 14 field representatives and seven stenographers and clerks

Division of Rural Child Welfare

Staff: Chief, assistant chief, nine field representatives and consultants, and five clerks and stenographers

Bureau of Institutional Management

Staff: Director, assistant director who is also agricultural consultant, three engineers, two architects, one inter-racial consultant, and four stenographers and clerks

State Council for the Blind

An administrative board within the Department of Welfare

The Council operates through four sections:

Prevention of Blindness and Remedial Eye Care

Home teaching for adult blind and program for pre-school blind children

Registration of blind and visually handicapped

Vocational rehabilitation of industrially blind.

RESPONSIBILITIES OF DEPARTMENT OF WELFARE

Supervisory Powers

Supervision over:

a) All State Institutions.

Defined to include all penal, reformatory and correctional institutions, hospitals for the insane, or any other institutions for feeble-minded or epileptic persons, or for juvenile delinquents or dependents, and charitable institutions, within this Commonwealth, maintained in whole by the Commonwealth, and whose boards of trustees are departmental administrative boards within the Department of Welfare.

(Note: Although general hospitals are not specifically mentioned, the ten State owned general hospitals are presumably included, since their Boards of Trustees are departmental administrative boards within the Department of Welfare.)

b) All charitable institutions in the State which receive financial assistance from the State, either directly or indirectly, to which the Governor does not appoint any member of the board of directors;

c) All private places (with or without State aid) caring for mentally ill persons;

d) All organizations, incorporated or unincorporated, public or private, receiving or caring for children or placing them in foster family homes, either at board, wages, or free; any individual, not related to

child, or any individual, not in the regular employ of the court or of an organization certified by the Department, who becomes a party to the placing of children in foster homes;

e) All maternity homes and hospitals;

f) All homes or hospitals for crippled children, except the State Hospital for Crippled Children;

g) All prisons, jails, hospitals, almshouses, poorhouses, maintained by any county, city, borough, township or poor district;

h) All institutions, associations and societies in the State into whose care the custody of delinquent, dependent or neglected children may be committed, and all places maintained by such institutions or associations in which such children are kept or detained;

i) Any system of labor carried on in the penal, correctional or reformatory institutions of the State;

j) Any system of reparation provided by the State for relief from mine-caves, fire, flood or other casualty;

k) All boarding homes for children which have been licensed by the State.

Visitation and Inspection

Department is required to visit and inspect at least once each year all of the agencies and institutions and individuals over which the Department has supervisory powers, as shown above.

The authority and responsibility for such supervision, visitation and inspection is the same for State owned institutions, State aided institutions and agencies, and non-state aided institutions and agencies which are subject to supervision.

If, on visitation and inspection, any condition is found to exist, which, in the opinion of the Department, is unlawful, unhygienic, or detrimental to the proper maintenance and discipline of such institution or to proper maintenance and welfare of the inmates or persons being treated or detained or residing in such institution, the Department has authority to direct those in charge of such institution to correct the objectionable condition in the manner and time specified by the Department, whereupon it shall be the duty of the officers in charge to comply with the direction.

On failure to so comply, the Department of Welfare may request the Department of Justice to institute appropriate legal proceeding to enforce compliance, or may withhold any State money available for such institution until there is compliance with such direction.

It should be noted that the Administrative Code (Sec. 2304) in defining the responsibility of the Department of Welfare for visitation and inspection of institutions and agencies, makes no difference in the powers and duties of the Department with respect to State owned institutions and institutions privately owned and administered. The one difference is found in Sec. 2315, under which the Department is authorized to determine capacity of State owned institutions, to designate type of inmate and the districts from which persons shall be received, to have fiscal control, and to approve all contracts for repairs, alterations or equipment at such institutions. Otherwise,

the responsibility of the Department is the same for State owned and State supervised institutions.

(Note: Several years ago inquiry to Department of Justice brought answer that no action had ever been taken by that Department under this section of the Administrative Code.

The head of one State owned institution reports that following each annual visitation and inspection trip from the Department of Welfare, report is made of existence of "an objectionable condition" and the superintendent is directed to correct it. Just as regularly, the answer is made that repeated requests have been made unsuccessfully to the Department for funds to make necessary changes.)

Recommendations

Department has power and duty to bring to attention of persons having management of State and supervised institutions "such standards and methods as may be helpful in the government and administration of such institution, whereupon it shall be the duty of such officers or other persons to adopt and put into practice such standards and methods".

Responsibilities for Child Welfare

In addition to responsibility for supervision and visitation and inspection of children's agencies and institutions, and individuals placing children in foster care, or receiving children with payment for care and maintenance, the Department of Welfare has the following responsibilities with reference to child welfare:

1. Licensing of Infant Boarding Homes.

   (Where more than one child under the age of three is boarded.)

2. Licensing Boarding Houses for Children.

   (Where more than two children between the ages of three and sixteen are boarded. There are, however, numerous exceptions in this law, which results in limited coverage.)

3. Investigation of residence of children placed in Pennsylvania from outside the State, and enforcement of the law requiring giving of a bond to this State by anyone wishing to bring into the State a dependent, delinquent or defective child. (Known as Importation Act.)

4. Administration of federal funds for child welfare services allocated to States through the U.S. Children's Bureau under provisions of Title V of the Social Security Act. These funds are to be used in extending and strengthening child welfare services in areas which are predominately rural or in areas of special need.

   (There is no specific State legislation setting up this program, but there is general legislation authorizing the State to accept federal funds.)

IV

STRUCTURE WITHIN DEPARTMENT FOR DISCHARGING STATE RESPONSIBILITIES FOR CHILD WELFARE

The Bureau of Children's Services, now headed by an Acting Director, is responsible for administration of the child welfare responsibilities of the Department.

Within the Bureau, there are two Divisions:

Division of Supervision and Licensing.

Division of Rural Child Welfare.

The Division of Supervision and Licensing is responsible for visitation, inspection, and supervision of all children's agencies and institutions and agencies in the State, of individuals placing children, and of individuals receiving children for boarding care. It also is responsible for supervision, visitation and inspection of the one State owned institution for juvenile delinquents - The Pennsylvania Training School at Morganza - which is administered by a Board of Trustees appointed by the Governor.

(The Soldiers' Orphans School at Scotland is a State owned school for children one or both of whose parents has served in armed forces of U.S. It is administered by a Board of Trustees appointed by the Governor. The Board is a Departmental Administrative Board in the Department of Public Instruction.

(Preference in admission is as follows: 1. Children, both of whose parents are dead; 2. Children, whose fathers are dead and whose mothers are living; 3. Destitute children not being in either of the first two classes.

(Children between ages of 6 and 14 years may be admitted, and "shall be educated and maintained in the School until they shall severally become nineteen years of age, unless sooner discharged for cause by order of the board."

(No child admitted to the school may be discharged, or leave, except on order of the Board of Trustees, and any one taking a child or assisting a child to leave without such an order may be fined or imprisoned.

(Following the Civil War, Soldiers' Orphan Schools were established in Pennsylvania and other States. There were several such schools in Pennsylvania. In 1893, the school at Scotland was established and the others were closed.

(It should, however, be noted that this was prior to Mothers' Assistance and Aid to Dependent Children, prior to Social Security with provision for Survivors Benefits, and prior to the present federal provisions for dependents of veterans.

(Pennsylvania is one of the few States still maintaining a Soldiers' Orphan School.

(It should be noted that the various veterans' organizations maintain an active interest in this institution;that it is under the Department of Public Instruction, not the Department of Welfare. However, since it is an institution which has authority to accept "destitute children" of veterans, the question must be raised as to whether its purpose is appropriate in today's setting.

($850,000. is set up in Governor's budget for 1951-1953 for this school. For 1945-1947 the appropriation was $480,000.

(The Thaddeus Stevens Industrial School at Lancaster is also a State owned school administered by a Board of Trustees - a Department Administrative Board in the Department of Public Instruction.

(This school was created in 1905 for the education and training of indigent orphan boys under the age of fourteen. If there are not enough of these, then orphans who are not indigent may first be admitted and afterwards other deserving boys who are not orphans. By definition, a child who has lost either parent is an "orphan".

(The appropriation for 1951-1953 is $600,000.; for 1945-1947 the appropriation was $172,000.

(The questions raised above with reference to the Pennsylvania Soldiers' Orphan School apply here.)

This Division has responsibility for administration of acts requiring that certain boarding homes for infants and children be licensed, and for administration of the law governing bringing into this State dependent, delinquent or defective children.

Under the Non-Profit Corporation Act (1933), approval of the Department of Welfare is required for incorporation of certain charitable institutions and agencies.

When the General Assembly appropriates money to the Department for grants to homes and institutions the Department is responsible for issuing requisitions on the Auditor General for warrants in favor of "such homes and institutions

as shall conform to at least the minumum standards as required by rules and regulations of the department, or established by law" for:

the care of dependent, delinquent, and defective children in homes or institutions,

the care and treatment of crippled children in homes or hospitals,

the removal of non-resident dependent children,

the placement of dependent children through child-caring agencies.

The Accounting Division of the Department of Welfare, under supervision of the Controller, is responsible for payments of amounts appropriated to the Department for payment to children's agencies and institutions.

The Director of the Bureau of Children's Services and the staff of the Division of Supervision and Licensing, including the Chief of the Division, are not under Civil Service, and all appointments must have political sponsorship.

The Division of Rural Child Welfare administers federal funds granted to Pennsylvania under the Child Welfare provisions of the Social Security Act.

These funds are used to pay part of cost of child welfare services in predominantly rural counties and in areas of special need.

Eighteen counties are now affiliated with the Division, and the cost of salaries of child welfare staff in these counties is paid in whole or part from federal funds made available to the State. The Division is responsible for supervision of the county agencies, provides special consultant services, in-service training, educational leave program.

The members of the staff of the Division and the Child Welfare staff of the counties affiliated with this program are chosen on a merit system basis under the State Civil Service Commission, and without political sponsorship.

BIENNIAL APPROPRIATIONS FOR INSTITUTIONAL OPERATIONS AND SUBSIDIES SHOWN BY PURPOSES

State Owned Medical & Surgical Hospitals	Act No.	Appropriation	Expenditures	Lapsed
1941-43	74 & 12A	$3,100,000.00	$3,098,005.78	$1,994.22
	3A(deficiency)	170,000.00	159,148.73	10,851.27
1943-45	77A	3,750,000.00	3,731,462.82	18,537.18
1945-47	87A	4,250,000.00	4,249,625.64	374.36
1947-49	94A	6,500,000.00	6,499,285.72	714.28
	4A(deficiency)	886,900.00	884,468.85	2,431.15
1949-51	89A	8,780,000.00	8,766,973.81	13,026.19
	6A(deficiency)	928,300.00	916,893.89	11,406.11
1951-53	134A	10,045,000.00	5,093,330.03	4,951,669.97*
Penal & Correctional				
1941-43	74 & 12A	7,600,000.00	7,597,956.18	2,043.82
	3A(deficiency)	830,000.00	692,899.04	137,100.96
1943-45	77A	9,375,000.00	9,175,913.19	199,086.81
1945-47	87A	10,100,000.00	10,094,001.06	5,998.94
1947-49	94A	12,000,000.00	11,984,935.08	15,064.92
	4A(deficiency)	688,000.00	608,361.65	79,638.35
1949-51	89A	14,773,000.00	14,425,042.54	347,957.46
	6A(deficiency)	1,178,500.00	1,129,696.38	48,803.62
1951-53	134A	16,163,000.00	7,850,710.31	8,312,289.69*
Mental Hospitals				
1941-43	74 & 12A	22,850,000.00	22,726,291.34	123,708.66
	3A(deficiency)	1,455,000.00	967,620.59	487,379.41
1943-45	77A	28,000,000.00	27,303,297.45	696,702.55
1945-47	87A	29,870,000.00	29,850,507.18	19,492.82
1947-49	94A	44,000,000.00	43,895,115.42	104,884.58
	4A(deficiency)	3,495,300.00	3,485,589.67	9,710.33
1949-51	89A	57,077,000.00	55,699,306.62	1,377,693.38
	6A(deficiency)	4,983,000.00	4,642,592.25	340,407.75
1951-53	134A	69,840,000.00	32,269,872.34	37,570,127.66*
Mental Defective				
1941-43	74 & 12A	3,950,000.00	3,940,749.25	9,250.75
	3A(deficiency)	150,000.00	----------	150,000.00
1943-45	77A	4,800,000.00	4,781,767.39	18,232.61
1945-47	87A	5,350,000.00	5,347,908.98	2,091.02
1947-49	94A	8,300,000.00	8,293,188.69	6,811.31
	4A(deficiency)	1,053,000.00	1,042,112.79	10,887.21
1949-51	89A	11,240,000.00	10,943,939.14	296,060.86
1951-53	134A	13,545,000.00	6,360,534.97	7,184,465.03*

Subsidies-State Aided Institutions	Act No.	Appropriation	Expenditures	Lapsed
1941-43	34A	$285,000.00	283,248.47	1,751.53
	35A	270,000.00	270,000.00	--------
	45A	420,000.00	414,846.56	5,153.44
Dixmont	80A	375,000.00	375,000.00	--------
1943-45	342	125,000.00	66,687.80	58,312.20
Glen Mills	6A	309,726.00	301,752.42	7,973.58
Sleighton Farms	32A	275,000.00	274,999.97	.03
Elwyn	7A	498,000.00	487,218.46	10,781.54
Dixmont Indebtedness	67A	30,000.00	----------	30,000.00
Dixmont Deficiency	53A	112,568.99	112,503.38	65.61
Dixmont Boiler	54A	50,000.00	40,895.00	9,105.00
Dixmont Fire Alarm	54A	50,000.00	----------	50,000.00
Dixmont Laundry	54A	25,000.00	----------	25,000.00
1945-47				
Glen Mills	32A	310,000.00	310,000.00	--------
Sleighton Farms	29A	275,000.00	275,000.00	--------
Elwyn	26A	516,000.00	494,403.25	21,596.75
1947-49				
Glen Mills	37A	435,000.00	434,233.76	766.24
Sleighton Farms	61A	380,327.82	380,327.66	.16
Elwyn	62A	702,000.00	702,000.00	--------
1949-51				
Glen Mills	23A	473,908.00	473,908.00	---------
Sleighton Farms	22A	420,000.00	420,000.00	---------
Elwyn	63A	831,600.00	831,600.00	---------
1951-53				
Glen Mills	82A	495,000.00	213,636.08	281,363.92*
Sleighton Farms	79A	521,904.56	174,063.88	347,840.68*
Elwyn	102A	945,000.00	345,118.41	599,881.59*
State Aided General Hospitals				
1941-43	73A	8,740,400.00	8,615,109.82	125,290.18
1943-45	49A	8,730,500.00	8,304,634.25	425,865.75
1945-47	45A	8,735,550.00	8,589,238.86	146,311.14
1947-49	78A	12,262,000.00	12,178,857.58	83,142.42
1949-51	58A	14,365,600.00	14,134,063.24	231,536.76
1951-53	100A	15,993,200.00	4,972,795.32	11,020,404.68*
State Aided Homes				
1941-43	75A	460,325.00	429,569.57	30,755.43
1943-45	48A	452,425.00	382,396.87	70,028.13
1945-47	30A	418,825.00	418,347.75	477.25
1947-49	69A	519,275.00	517,522.00	1,753.00
1949-51	59A	576,825.00	549,737.90	27,087.10

State Aided Homes Continued	Act No.	Appropriation	Expenditures	Lapsed
1951-53	77A	$623,925.00	205,841.34	418,083.66*
Dixmont Hospital				
1945-47	84A	880,000.00	879,231.17	768.83
C. Dudley Saul Clinic				
1947-49	85A	50,000.00	50,000.00	--------
Nurses Training				
1949-51	86A	500,000.00	499,627.65	372.35
	5A(deficiency)	440,000.00	429,886.63	10,113.37
1951-53	131A	1,300,000.00	696,360.76	603,639.24*
	5A(deficiency)	440,000.00	429,886.63	10,113.37*

* 1951-53 Biennium lapsed balances should read balance available.

BIENNIAL WELFARE APPROPRIATIONS

AND EXPENDITURES BY SOURCE OF FUNDS

	State Approp.	Federal Contribution	Expenditures
Salaries & General Expenses			
1941-43	$ 452,000.		$437,712.
1943-45	536,000.		457,516.
1945-47	641,290.		637,419.
1947-49	900,000.		749,091.
1949-51	933,000.		932,998.
1951-53	1,122,000.		
Council for the Blind			
1941-43	51,000.		47,782.
1943-45	104,000.		101,226.
1945-47	288,700.		281,291.
1947-49	310,000.		310,000.
1949-51	425,000.		317,029.
1951-53	435,000.		
Treatment for the Blind			
1941-43	60,000.		48,588.
1943-45	90,000.		89,999.
Home Instruction for the Blind			
1943-45	69,700.		34,148.
Blind Rehabilitation			
1945-47	100,000.	181,753.	188,506.
1947-49	110,000.	421,542.	473,250.
1949-51	150,000.	461,361.	519,528.
1951-53	233,300.	260,035.	
Employment Fund for the Blind			
1949-51	30,000.		30,000. (Transferred to Rehab.)
Pa. Hosp. Survey & Const. Act.			
1947-49	60,000.	19,026.	44,118.
1949-51	78,610.		68,808.
1951-53	78,610.		

	State Approp.	Federal Contribution	Expenditures
Community Mental Health Services			
1949-51	$ 50,000.	$177,243.	$216,243.
1951-53	300,000.	148,335.	
Rural Child Welfare			
1941-43		175,991.	164,258.
1943-45		126,124.	121.846.
1945-47		155,974.	146,517.
1947-49		288,725.	271,035.
1949-51		336,515.	323,424.
1951-53		285,271.	

B.

BOARDS AND COMMISSIONS IN THE DEPARTMENT OF WELFARE

State Welfare Commission

Departmental Advisory Commission: Consists of the Secretary of Welfare, ex officio, and eight other members appointed by the Governor, with consent of two-thirds of Senate, for terms of four years. The Secretary of Welfare is chairman of the Board.

Powers and Duties of the Commission:

a) to advise the Secretary on such matters as the Secretary may bring before it, or as the commission may require the Secretary to bring before it;

b) to approve or disapprove the rules and regulations of the Department.

The act is silent as to the number of times commission shall meet annually.

State Council for the Blind

Departmental Administrative Board. Consists of seven members, of whom three shall be the Secretary of Welfare, the Superintendent of Public Instruction, and the Secretary of Labor and Industry. The other four members are appointed by the Governor, with consent of the Senate. At least one of the four appointed members must be a blind person.

Council annually elects a chairman from among its members. The Secretary of Welfare is the secretary and executive officer of the council.

At least four meetings of the council shall be held each year. Special meetings may be called jointly by the chairman and secretary and must be called on written request of any three appointed members.

(Note: The Council for the Blind was established prior to creation of the Department of Public Assistance. Although the program of Blind Pensions is administered by the Department of Public Assistance, the Secretary of this Department is not a member of the State Council for the Blind.)

Council receives biennial appropriation of funds, not included in general appropriation to the Department of Welfare.

Hospital Advisory Council

Created by Act 527 of 1947, which established the Division of Hospital Survey and Construction.

Council is not included under advisory boards and commissions listed in Administrative Code.

Consists of Secretary of Welfare, who is chairman, ex officio, and seven members (appointed by the Governor). Shall include representatives of non-government organizations, and of State agencies, concerned with operation, construction and utilization of hospitals, including representatives of consumers of hospital services, from urban and rural areas. Overlapping terms of four years.

(Note: Present membership of Council includes: Secretary of Welfare, Secretary of Health, three hospital administrators, and three lay members.)

Duties: Advice and consultation with Department of Welfare in administering Survey and Construction Act.

Meets at least once each year, and as frequently as Secretary deems necessary.

(Note: University of Pennsylvania Law School Report on Proposed Revision of Pennsylvania Legislation relating to Hospitals states that Council passes on rules and regulations governing hospital operation.

Boards of Trustees of State-owned Institutions

Penitentiaries

Industrial Schools

Mental Hospitals

Schools for Defectives

Colony for Epileptics

Training Schools for Delinquents

General Hospitals

Departmental Administrative Boards. Each Board of Trustees consists of nine members and the Secretary of Welfare, ex officio. Appointed by the Governor, with consent of Senate, for four year term.

Each board annually elects a president and vice-president from among its members, and a secretary and treasurer who need not be members of the board.

Boards of Trustees have "general direction and control of the property and management of such institution". Have power and duty

a) Subject to the approval of the Governor, to elect a superintendent or warden of the institution, who shall, subject to the authority of the board, administer the institution in all its departments;

b) On nomination of the superintendent or warden, from time to time, to appoint such officers and employees as may be necessary;

c) To fix the salaries of its employees in conformity with standards established by the Executive Board;

d) Subject to the approval of the Secretary of Welfare, to make such by-laws, rules, and regulations for the management of the institution as it may deem wise.

The powers and duties of the Department for visitation and inspection and supervision are the same for State-owned and private institutions. With respect to State-owned institutions, the Department has additional authority.

a) to determine capacity;

b) to designate type of persons to be received and the districts from which persons shall be received;

c) to exercise fiscal control over institutions;

d) to approve or disapprove any contract for repairs, alterations or equipment.

C

FUNCTION AND ORGANIZATION OF THE DEPARTMENT OF PUBLIC ASSISTANCE

STATE BOARD OF PUBLIC ASSISTANCE

The State Board of Public Assistance consists of the State Treasurer, the Auditor General and seven other citizens of the Commonwealth who are appointed by the Governor.

The State Board is a policy-making body whose powers and duties are regulatory and advisory and not administrative or executive.

The primary duty of the Board is to approve the policies and standards upon which public assistance is to be administered by the County Boards.

STATE DEPARTMENT OF PUBLIC ASSISTANCE

The State Department of Public Assistance is an administrative department of the Commonwealth and is subject to the same relationships that other administrative departments have with certain units of the State government.

The principal responsibilities of the Department are:

"To administer and carry out the provisions of the Public Assistance Law, and in so doing, to supervise local Boards and to allocate to them on the basis of need and, as may be required for Blind Pensions, funds with which to provide assistance and funds for administrative expenses."

"To exercise general supervision of the local boards, and to establish for such boards, rules, regulations and standards, as to accounting and as to forms, records and reports so as to effect reasonable uniformity."

In discharging the above mentioned responsibilities the State Department issues Statewide rules and regulations for the granting of assistance. County clerical and administrative practices are prescribed in areas in which uniformity is practicable or necessary.

The Secretary is administratively responsible to the Governor, and has the authority inherent in a unified State-controlled program. He is ultimately responsible for the administration of the program.

The State Office consists of the Secretary, Deputy Secretary, and the employees responsible to them in the Harrisburg headquarters office, Regional Financial Offices, and the Claim Settlement Area Offices.

It is organized along functional lines into four bureaus - finance, field service, program development, and professional and technical services.

BUREAU OF FINANCE

The Bureau of Finance is under the direction of the Comptroller, who is directly responsible to the Secretary of the Department.

The Bureau is responsible for the development and control of all fiscal activities; for the maintenance of adequate records of authorized appropriations and the determination that all sums expended pursuant thereto are properly accounted for; the preparation and approval of all requisitions drawn upon the State Treasurer for payment; the establishment of claims and collection of moneys due the Commonwealth through the Department, and subsequent transmission to the Department of Revenue; and the preparation of financial statements and reports.

CLAIM SETTLEMENT

The primary function of this division is the determination, establishment, protection, and recovery of all claims arising in connection with the assistance program.

State Headquarters - The State Office Claim Settlement Division directs all activities undertaken in connection with claims and legal matters. It has responsibility for formulating and developing necessary procedures and regulations relative to the establishment and settlement of claims. It takes final action on claims, reviews and approves all cases referred by the Areas for prosecution, makes referrals to the Department of Justice attorneys, and approves all offers in compromise of claims.

Area Offices - The Area Offices on information furnished by the County Office or other Departmental unit, handle the establishment and collection of restitution claims for money paid for which the recipient was ineligible; and the establishment and collection of reimbursement claims for grants made to recipients with property, which grants according to law must eventually be paid back.

FIELD EXAMINING

This Division conducts eligibility reviews in the counties; and in County, State, Area and Regional Offices, it makes examinations of administrative practices with particular reference to financial accounts, invoices, claims, supplies, and the like.

GENERAL ACCOUNTING

This Division maintains the primary books of account and subsidiary records in connection with the financial activities; audits and requisitions for payment all invoices for purchase or services; controls and requisitions all salary payments; receives, records, and transmits collections and refunds to the Department of Revenue; and prepares financial reports.

REGIONAL OFFICES

These disbursing offices review assistance authorizations for accuracy and duplication; prepare requisitions and checks; and submit them to the Auditor General's representatives for review and subsequent delivery to the State Treasurer for signing and mailing. They maintain the necessary accounting records and controls of allocations and expenditures.

OFFICE MANAGEMENT AND SUPPLY

This Division performs the following functions for both the State and County Offices: procures office space; renovates or supervises the renovating of office space; contracts for telephone service; and gives consultative services in the matter of renovation, use of space, etc. It also maintains the office buildings of State headquarters.

The Division procures, through the State Department of Property and Supplies, all equipment and all supplies with the exception of printed material. It supervises the maintenance of all automobiles and trucks owned by the Department.

It has charge of duplicating and distributing all material sent out from the State Office in mimeographed, multilithed, or hectographed form.

BUREAU OF FIELD SERVICE

The State Office of the Department has ultimate responsibility for the assistance program and is empowered and bound by law to supervise county administration. The State Office carries out its supervisory responsibility by means of a staff of Field Representatives who are designated to act for the Department.

FIELD REPRESENTATIVE DIVISION

The Field Representative works with the Executive Director of the County Board of Assistance as the person who, under the direction of the Board, carries the responsibility for county assistance administration. Through supervisory processes, the Field Representative helps the Executive Director assume and discharge this responsibility. He also works with and reports to the County Board, at its request, or at the request of the Executive Director; and in instances where State Office responsibility cannot be executed satisfactorily through relationship with the Executive Director only, the Field Representative, under special direction from the State Office, requests a meeting with the County Board to report on the status of administration in the county and make recommendations about it.

The responibilities of Field Service extend in two directions:

To the county, the Field Representative interprets the objectives, policies, and procedures of the Department; he regularly examines and evaluates county performance; he assists in the development of plans for improving county administrative responsibilities of the County Board or Executive Director.

To the State Office, the Field Representative exercises his responsibility by keeping it informed through oral and written reports about conditions, operations, developments and County Board and staff recommendations, including appraisal of the effectiveness of the work of the county and the contributory causes to the degree of effectiveness. He studies the effect of the Department's policies in operation and makes recommendations concerning them.

While the prime objective of the entire Department's efforts is the efficient administration of the assistance program, and the supervision of the county offices through the Field Representatives is primarily with regard to that objective, it is realized, of course, that many specialized functions are auxiliary but essential to it. For instance, location and arrangement of office space, office equipment and systems, personnel, handling payments and collection of claims, accounting methods, statistical reporting, all have a bearing on the administration of assistance. Questions on the operation or coordination of these auxiliary functions are handled through and by the Field Representatives, but contacts on specific problems may be made directly between the County Office and the appropriate State Office organizational unit because of the effectiveness and value of direct contact. Copies of correspondence and file notes on specific problems are routed to the Field Representatives to keep them posted on matters that may have an ultimate effect on more general questions of administrative practice.

Field Representatives are supervised by the Supervisor of Field Service. Each Field Representative is assigned a territory in which he works on a continuing basis.

CORRESPONDENCE AND REPORTS SECTION

Under the direction of the Supervisor of Field Service this section is responsible for replying to letters from applicants, recipients or other persons interested in some phase of assistance not the responsibility of some other unit. These letters may be forwarded from the President, the Governor or other public officials, or they may be addressed to the Department itself. In replying to a specific inquiry concerning a case situation, a report from the county may be requested.

Inquiries and county reports are analyzed from the standpoint of correct application of policy. Correspondence is also used as an aid in the development and formulation of policies.

BUREAU OF PROGRAM DEVELOPMENT

This Bureau is responsible for the development and coordination of policies, standards, procedures, systems and forms. It engages in three areas of activities: assistance policies and appeal hearings; procedures; and studies of county operations, office equipment and forms. The Bureau operates through the following Divisions:

SURVEY AND ANALYSIS DIVISION

This Division develops methods and systems for use in the State and County offices. It standardizes, designs and coordinates forms and is responsible for the revision or withdrawal of forms. It develops improved methods of recording, reporting and filing.

The Division also makes field studies of county clerical operations; and time studies of a specified area of county operations.

POLICY AND PROCEDURE DIVISION

This Division has the responsibility to develop and formulate assistance policies and standards; to gather, study and evaluate current information relative to the needs of assistance recipients, and the adequacy and effectiveness of assistance policies and standards; to make recommendations for policy and policy changes based on such study; and to give consultative service to State and county administrative and supervisory staffs on assistance policies and standards.

This Division develops and writes clerical procedures for county operations; and administrative procedures not specifically assigned to the State Office unit directly in charge of the operation involved. It coordinates all procedures issued to the counties, regardless of their origin.

BUREAU OF PROFESSIONAL AND TECHNICAL SERVICES

MEDICAL

This Division is responsible for the development of standards, policies and regulations governing the operation of Medical Programs. It exercises direct control over the application of certain stated policies, and is responsible for approving certain expenditures.

The Division evaluates the general medical needs of assistance recipients and the effectiveness of the Medical Programs in meeting those needs. It furnishes consultative services to State and county administrative and supervisory staffs on problems relating to medical care and the administration of the Medical Programs. It acts in a liaison capacity with the State Healing Arts Advisory Committee and other public and private medical organizations.

In addition to the Medical Programs this Division has responsibility for reviewing medical and social reports to determine whether or not applicants for Aid to Disabled are "permanently and totally disabled." It assists County and State Office staffs on problems relating to rehabilitation of AD recipients.

PERSONNEL AND TRAINING

The Personnel Division is responsible for providing a comprehensive personnel program for the Department designed to assist in the development and maintenance of both an effective staff of employees and satisfactory work relationships between employer and employee. It develops and administers the personnel policies and procedures of the Department and cooperates with the State Civil Service Commission and other State agencies where joint responsibilities exist.

The responsibilities of this Division embrace the following: planning for employee recruitment; developing and administering the position classification, promotion and increment plans; determining salary rates for departmental positions within the compensation plan of the Commonwealth; evaluating job duties; developing and administering a system of employee service ratings; reviewing personnel actions; maintaining personnel records for control and reporting purposes; giving service to State and county executives on personnel matters and to employees on their privileges and responsibilities; evaluating personnel administration through review of administrative practices. The Division also acts for the Secretary as the appointing authority for State Office positions.

It handles the bonding of employees; enrolling employees in the State Employes' Retirement System; and the reporting to the Workmen's Compensation Fund on personal injuries.

The Personnel Division has responsibility for formulating, developing and implementing the Department's staff development program.

EMPLOYMENT AND RESOURCES

This Division is responsible for the development and coordination of the Department's activities relating to employment and training of assistance applicants and recipients, work programs, and resources investigations.

It also provides consultative service to State and county supervisory staffs in the development of policies and procedures for the local administration and coordination of employment activities, and in the procuring by County Offices of information on payrolls, property, insurance, governmental benefits, etc., and assists in the review of county operations and practices.

RESEARCH AND STATISTICS

This Division has charge of all research and statistical functions of the Department. Some of the specific functions performed are:

To collect and compile pertinent data relative to the Public Assistance Program.

To prepare estimates and furnish information on request.

To prepare special studies and analyses of the various phases of the Public Assistance Program.

To prepare reports and publications relative to information on public assistance caseloads and expenditures, trends in public dependency, cost of living as related to assistance standards, etc.

To make necessary studies to determine the effects of existing and proposed policies.

PUBLIC INFORMATION

This Division plans and disseminates to the public State-wide information concerning the Department. This is done through informational leaflets, press releases, speeches, special reports, radio talks, publications, exhibits and similar means. County Boards are responsible for public relations in their own localities. Consultative help is given to the State Office staff and to Executive Directors.

COUNTY ADMINISTRATIVE BUDGETS

This position is directly responsible to the Secretary. Here responsibility is vested for reviewing county administrative budgets and recommending what financial limits should be set month by month for the county's administrative expenses.

20

OUTLINE OF PROPOSED ORGANIZATION AND PERSONNEL PLAN
OF THE STATE DEPARTMENT OF HEALTH
1952
(Approved by Advisory Health Board but not yet adopted
by Executive Board of the Commonwealth)

The accompanying material was submitted to the Harvey Committee on September 19, 1952, by Russell E. Teague, Secretary of Health, with the following comments:

'Enclosed are copies of the present organization chart of the Department of Health, the proposed reorganization chart, the Merit System Rules and Regulations, the recommended Position-Classification Plan, and a corresponding Compensation Plan.

"As suggested by the Keystones Survey of 1948, the Reorganization Chart of the Department of Health has been developed to replace the 'horizontal' structure, which places a great administrative burden on the Secretary of Health, with a more 'vertical' structure. In the new plan, the Deputy Secretary and the three Assistant Secretaries will be the top administrative staff which would determine, with the Secretary, the Department's policies and procedures. Furthermore, the direction and supervision of the various programs would be carried on by these four assistants without the necessity of frequent contacts by the Bureau Directors and Division Chiefs with the Secretary of Health. This Reorganization Chart has been adopted by the Advisory Health Board, subject to the approval of the Governor's Executive Board.

"The enclosed Personnel Rules and Regulations are to be the basis for the administration of a merit system. As noted in the preamble, these rules are to apply only to personnel reimbursed from State funds and shall not apply to persons employed in units utilizing Federal funds or matching State funds. This latter group will be processed by the Pennsylvania Civil Service Commission under the Rules and Regulations originally approved in 1942, amended in 1944, and revised in 1946. Regardless of this coverage by two sets of rules and regulations, the Merit System Supervisor to be employed by the Department will administer the merit system personnel policies of the Department. The Personnel Rules and Regulations were approved by the Advisory Health Board on September 11, 1952.

"The Position-Classification Plan is a compilation of descriptions of work and qualifications of personnel for the positions which could be interpreted as professional, technical, and executive. At its most recent meeting, the Advisory Health Board adopted, subject to the approval of the Governor's Executive Board, those classifications which pertain to Doctors of Medicine, Doctors of Dental Surgery, Doctors of Veterinary Medicine, Doctors of Public Health, Registered Nurses, Registered Engineers, and persons having the Master of Public Health degree. At the same meeting, the Board concurred with the proposed Compensation Plan which, under provisions of the Administrative Code, must be approved by the Executive Board to become effective."

E

Staff Report on
STATE-OWNED GENERAL HOSPITALS

October 6, 1952

The Commonwealth of Pennsylvania owns ten general hospitals, containing approximately 1500 beds. These hospitals are managed by Boards of Trustees appointed by the Governor with the consent of the Senate. The Boards are departmental administrative boards in the Department of Welfare, which has fiscal control over the hospitals, and authority to approve or disapprove all contracts for repairs, alterations or equipment.

The Department also has the duty to determine capacity of all State institutions, and to designate the type of persons to be received. Under the Act of 1931, June 22, P.L. 1871, the Department is required to fix the charges for services rendered by the ten State general hospitals.

History of the State-owned Hospitals — The ten State-owned general hospitals were established or taken over by the State between 1871 and 1923 - six of them before 1892, three between 1907 and 1911, and one in 1923.

They were originally founded for the treatment of persons injured in the anthracite and bituminous coal mines of Pennsylvania - before enactment and enforcement of the Workmen's Compensation Law.

However, by an Act of 1939 (P.L. 438) all of the State-owned general hospitals are "... declared to be general hospitals for the care and treatment of the acutely ill, without any restrictions other than those now or hereafter imposed by law upon all general hospitals, and except as each individual, institution is restricted by the limitations of its facilities and equipment.

The ten hospitals, with date each was established as a State-owned institution, are as follows:

Ashland	Schuylkill Co.	1879
Blossburg	Tioga Co.	1887
Coaldale	Schuylkill Co.	1911
Connellsville	Fayette Co.	1891
Hazleton	Luzerne Co.	1887
Nanticoke	Luzerne Co.	1907
Philipsburg	Clearfield Co.	1891
Scranton	Lackawanna Co.	1871
Shamokin	Northumberland Co.	1907
Locust Mountain at Shenandoah	Schuylkill Co.	1923

In 1923, legislation was enacted authorizing the transfer by lease or sale of State-owned hospitals to incorporated hospital associations. There is no record that any private group has ever attempted to proceed under this Act (1923, June 7, P.L. 681.)

The Report of the Joint Legislative Committee on Finances (1933, Hon. Philip Sterling, Chairman) states that "The acceptance of these institutions by the Commonwealth has apparently taken place sporadically, under political influence. In view of this, and of the serious question regarding the necessity of the State assuming this burden at all, ..., it seems impossible under present conditions to defend the continuance of the general hospital program. If such a program is to be financed at all by the Commonwealth, the distribution of the benefits should be felt in all sections, not in a very small number of counties."

The preliminary report of the Joint Legislative Committee on Finances (1933) recommended a policy of gradual elimination of these institutions as a charge on the revenues of the State.

In the final report (1934) the Committee renewed its recommendation with regard to the whole group of State general hospitals, saying "Other communities

throughout the Commonwealth, no larger and no wealthier than those in which these hospitals are located, manage to maintain local hospital facilities to meet the needs of their respective communities. This committee is convinced that these communities should do the same."

No action was taken on this recommendation of the Joint Legislative Committee on Finances, and as has already been shown in 1939 the hospitals were declared to be general hospitals, without priority for injured miners.

In 1951 a bill was introduced (H.B. 643), but failed to pass, to transfer supervision and control of State-owned general hospitals from the Department of Welfare to the Department of Health.

Over the years the State appropriation for operation of these hospitals has vastly increased.

Appropriation for operation of these hospitals for 1951-53 is $10,045,000.

Discussion Committee may wish to discuss

(1) Possibility of withdrawal of State from further operation of these hospitals.

Recommendations of Sterling Committee are pertinent to such discussion.

(2) Transfer of hospitals to Department of Health.

(3) Change in method of administration.

It should be noted that there are three State-owned TB hospitals and one State-owned hospital for crippled children. These are administered by the Department of Health, without Boards of Trustees.

F

Confidential to PCA State Services Committee

Proposed Revision of Pennsylvania Legislation Relating to Hospitals - Conclusions and Recommendations

Prepared by

The Law School and the Institute of Local and State Government

University of Pennsylvania
July 1952

Codification and revision of hospital legislation needed.

The purpose of this Report is to recommend the early adoption of a comprehensive code of law relating to hospitals in Pennsylvania. The Proposed Hospital Act, which constitutes Part III of this Report, is submitted for study and consideration for enactment by the Pennsylvania General Assembly.

The Proposed Hospital Act is based on two fundamental judgments with respect to existing hospital legislation in Pennsylvania:

1. That the several scattered and unrelated laws dealing with hospitals that have been adopted over a long period of years should be replaced by a single legal code, logically organized and clear in meaning.

2. That the substance of existing hospital legislation should be revised and supplemented in accordance with sound principles of organization and administration, to implement properly the Commonwealth's responsibility of assuring adequate and effective hospital care for all its citizens.

Proposed code covers all hospitals except mental institutions.

The provisions of the Proposed Hospital Act apply, generally, to all curative institutions except those caring for persons afflicted with mental diseases or defects. However, because of the requirements of the Federal Hospital Survey and Construction Act, it has been necessary to consider mental hospital planning as an integral part of the over-all hospital planning program. In addition, three of the changes to existing law proposed in the code are equally applicable to the administration of state mental institutions. These are noted in the discussion of the specific recommendations.

Hospital regulation and operation are major state functions.

Although present state activities related to hospitals are dispersed, the total of all such activities constitutes a major responsibility and function of the state government.

The Department of Welfare, under existing law, is responsible for supervising the operation of more than 700 hospitals and nursing homes. The Department also administers the state-aid program under which privately owned, nonprofit hospitals are reimbursed for hospital care rendered to indigent persons. The amount appropriated for this purpose in the biennium 1949-51 was $14.4 million and was distributed among 182 institutions containing 83 per cent of the general hospital beds in the state. Finally, since 1947 the Department has had the duty of administering Federal aid for hospital construction. This program has resulted in the expansion or construction of 54 hospitals.

In addition to regulating private hospitals, the state owns and operates general hospitals, tuberculosis sanatoria, and a crippled children's hospital. Through the Department of Welfare and individual boards of trustees, the state operates ten general hospitals containing approximately 1500 beds. The amount appropriated for the maintenance of these institutions in the biennium 1949-51 was $8.8 million. The three state tuberculosis sanatoria, which contain approximately 2700 beds, are operated by the Department of Health. State sanatoria facilities were recently expanded by the purchase of a Philadelphia hospital by the Commonwealth. The cost of maintaining the tuberculosis sanatoria and the Crippled Children's Hospital at Elizabethtown, which is also operated by the Department of Health, was $10.6 million in the biennium 1949-51.

While mental hospitals and institutions for mental defectives are not included within the scope of this report, it is worthy of note that the state owns and operates 24 such establishments through the Department of Welfare. In the biennium 1949-51 the state appropriated $68.3 million for the maintenance of these institutions.

Pennsylvania hospital laws lack clarity and organization.

Existing Pennsylvania laws relating to hospitals are unorganized and confused. It is readily apparent from a study of hospital legislation that the state's hospital program is handicapped by the lack of an organized body of laws which clearly defines the legislative mandate with respect to hospital regulation and operation, and which creates effective administrative machinery for enforcing reasonable standards of safe hospital care.

Four separate statutes, as well as the state Administrative Code, govern the regulation of privately-owned hospitals. The categories of hospitals regulated under separate statutes include hospitals and nursing homes operated for profit, maternity hospitals, and hospitals constructed with Federal aid. In addition, the Administrative Code provides for the regulation of "supervised institutions" which are defined to include hospitals in the following categories: state-aided, private mental, maternity, crippled children's (excluding the State Hospital for Crippled Children,) and municipally-owned. "Supervised institutions," it should be noted, also include orphanages, prisons, jails, poorhouses, and institutions for delinquent children. Executive powers and duties relating to hospital supervision must thus be ferreted out of legal provisions dealing with heterogeneous groups of institutions.

State-aided institutions constitute the most important group of hospitals regulated by the state. The basic sanction for regulation of these hospitals consists only of the power to withhold state funds. Licensure as a method of enforcing reasonable standards is not legally available to the administering agency except for nursing homes and approximately 85 profit and maternity hospitals. For approximately 65 hospitals, those which are nonprofit and do not receive state or Federal aid, there are no legal provisions at all for regulation or control. Subject to this hodge-podge of legislation, the Department of Welfare has been endeavoring to carry out a program of hospital regulation.

Laws governing the operation of state-owned hospitals are similarly scattered and disorganized. Legally prescribed responsibilities for the operation of the state general hospitals are unjustifiably divided and overlapping. Both the Department of Welfare and the hospital boards of trustees are legally charged with management responsibility for the state general hospitals, with conflicting and duplicating grants of power,

Substantive changes in law are necessary.

Much more than a mechanical codification of existing hospital laws is necessary to establish the legal framework for a progressive program of hospital regulation and management commensurate with the Commonwealth's responsibility for assuring adequate hospital care. Basic revisions and substantive additions to existing hospital legislation are needed.

First, in order to promote a more positive execution of the hospital program, it is recommended that hospital regulatory and operating responsibilities be lodged in the State Department of Health. In terms of objectives, personnel, techniques and facilities, the public health agency is best equipped to perform the functions of hospital supervision and management.

Second, the state's regulatory authority should be extended to cover all curative institutions, and the concept of regulation should be expanded to include the promulgation and enforcement of minimum standards in all areas of hospital operation. In line with this broader view of the state's interest in hospital care, the law should be strengthened to require a positive, continuing program of statewide hospital planning.

Third, in order to assure a properly coordinated hospital program, it is essential that all hospital functions be consolidated in a single agency within the Department of Health. Hospital regulation, management and planning are interrelated parts of a comprehensive hospital program. If the state's responsibility for assuring adequate hospital care is to be fully implemented, all three phases of the hospital program must be integrated.

Finally, it is important that the state agency responsible for hospital functions be provided with effective machinery and legal techniques for

establishing and enforcing minimum standards of hospital care. The Proposed Hospital Act provides for the creation of a temporary hospital standards committee, composed chiefly of representatives of appropriate professions, to determine proper standards and to develop comprehensive rules and regulations governing the operation of hospitals. The Proposed Hospital Act also makes provision for effective enforcement of standards by means of the licensure technique. The licensure sections, based on the best experience and thought in the field, require all hospitals to apply for licenses, renewable annually, and prescribe procedures for license revocation in cases of non-compliance with minimum standards.

STAFF REPORT

on

STATE OWNED INSTITUTIONS FOR CHILDREN
IN THE DEPARTMENT OF PUBLIC INSTRUCTION

There are three state institutions for children administered by Boards of Trustees, which are departmental administrative boards in the Department of Public Instruction. These institutions are:

1. Pennsylvania State Oral School for the Deaf, in Scranton;
2. Pennsylvania Soldiers' Orphans' School, at Scotland. (Cumberland County)
3. Thaddeus Stevens Industrial School, in Lancaster.

Pennsylvania State Oral School for the Deaf, at Scranton

This school, which had been organized under private auspices, and which operated for some years as a private institution with State subsidy was transferred to the State in 1913.

For the 1951-53 biennium, the appropriation to the State Oral School is $316,500.

Pennsylvania Soldiers' Orphans' School, at Scotland (Cumberland County)

In 1867, following the Civil War, a number of homes for soldiers' orphans were established in Pennsylvania, as in ten other states. In 1893, the school at Scotland was established and the others were closed.

Preference in admission to the school is as follows:

"1. Children, both of whose parents are dead;
2. Children, whose fathers are dead and whose mothers are living;
3. Destitute children not being in either of the first two classes.

"Children between ages of 6 and 14 years may be admitted, and shall be educated and maintained in the School until they shall severally become nineteen years of age, unless sooner discharged for cause by order of the board."

"No child admitted to the school may be discharged, or leave, except on order of the Board of Trustees, and any one taking a child or assisting a child to leave without such an order may be fined or imprisoned."

For the 1951-53 biennium, the appropriation for the Pennsylvania Soldiers' Orphans' School is $881,000.

Thaddeus Stevens Industrial School

The Thaddeus Stevens Industrial School was established in 1905 for the education and training of indigent orphan boys, under fourteen years of age. If there are not enough of these, then orphans who are not indigent may first be admitted, and afterwards other deserving boys who are not indigent. By definition, a child who has lost either parent is an "orphan."

For the 1951-1953 biennium, the appropriation for Thaddeus Stevens Industrial School is $618,000, with an extra $140,000 for the purchase and improvement of additional property for the School.

These three schools are not supervised or inspected by the Bureau of Children's Services of the Department of Welfare, and we are informed that the Department of Public Instruction supervises only the educational program at these institutions.

In most states, special schools for education of blind and deaf children are administered or supervised by the State Department of Public Instruction, and the staff is not raising any question with reference to the Pennsylvania State Oral School.

The Soldiers' Orphans' School and the Thaddeus Stevens Industrial School, however, are state-owned institutions for dependent children, and the appropriateness of continued operation of these institutions is seriously questioned.

Pennsylvania Soldiers' Orphans' School

Following the Civil War, eleven states, including Pennsylvania, established soldiers' orphans homes. Of these states only four, -- Illinois, Indiana, Ohio, and Pennsylvania -- still maintain these institutions.

In considering the need which originally existed for this form of special care for the children of soldiers and sailors, conditions after the Civil War must be given due weight. For example, in 1872, when Wisconsin closed its soldiers' orphans' home, it was pointed

out that when the home was established many of the children came from almshouses, that most of them were received from mothers who desired that their bhildren might have a better education than their localities afforded and that some time elapsed after the close of the war before soldiers' pensions were available.

In 1920, a report* of a study of the soldiers' orphans school in Maine, stated:

> "This asylum was planned for a special class of children, viz., the orphans of soldiers and sailors, at a time when other dependent children were treated as paupers and sent to almshouses. Now that primitive social treatment of children is no more, and practically all dependent children are placed in family homes, there is less reason for maintaining a rather expensive institution for the children of those who have followed one particular vocation, especially when placing-out is considered a more enlightened form of child-caring than their maintenance in a congregate institution."

The first White House Conference on Children declared that

> "Home life is the highest and finest product of civilizatio... Children should not be deprived of it except for urgent and compelling reasons. Except in unusual circumstances the home should not be broken up for reason of poverty, ..."

This declaration became the basis for the Mothers' Assistance programs, now known as Aid to Dependent Children, which provide financial aid to enable dependent children to remain in their own homes.

* From "Unto the Least of These", by Emma A. Lundberg

It was also the stimulus for the foster home movement which has grown rapidly in the past forty years. The trend is against large institutions for congregate care of children, and against long-time institutional care. For some children who must live away from their own families group living in an institutional setting for a few years proves helpful. But whether or not a child should be cared for in this manner should be decided on the basis of the child's needs, not on his father's former occupation.

In addition to the program of aid to dependent children which is part of the Public Assistance program of the State, the federal government now provides benefits for dependent children of veterans and under the Social Security Act, benefits are available for dependent children of workers who have been covered by Social Security. Furthermore, local public school programs for all children have been vastly improved in the 75 years, since the Soldiers' Orphans Home was established, so that a special school for soldiers' orphans is not needed to assure them of adequate education.

Thaddeus Stevens Industrial School

Most of the comments about the Soldiers' Orphans School apply also to the state owned Industrial School. It was established in 1905, before Mothers' Assistance, Public Assistance, and Social Security Legislation, at a time when many counties had no

programs of child welfare, and at a time when industrial training was not included in the courses offered by many school districts.

It should be noted that State expenditures for operation of these two institutions have greatly increased in the last four bienniums. For 1945-1947, the appropriation for the Soldiers' Orphans School was $480,000; for the current biennium the appropriation is $881,000. For the Industrial School the appropriation for 1945-1947 was $172,000; for the current biennium the appropriation is $600,000.

Staff Report on
STATE APPROPRIATIONS TO VOLUNTARY ORGANIZATIONS IN PENNSYLVANIA

Background

State subsidies to voluntary welfare agencies and institutions have developed to a much greater extent in Pennsylvania than in any other state in the United States. Beginning in 1751 with an appropriation by the provincial government of 2000 pounds to the Pennsylvania Hospital in Philadelphia, this practice of legislative appropriation to voluntary agencies has grown until in the 1951 legislative session, approximately twenty million dollars was appropriated to private agencies, institutions, and hospitals for the 1951-53 biennium.

The act creating the Department of Welfare in 1921 required all state institutions and any charitable or other institutions under the supervision of the Department of Welfare, desiring to receive state aid, to make application for aid to the Department of Welfare. The Commissioner of Welfare (predecessor of the Secretary of Welfare) was required to examine the application and give the results of such investigation to the Governor in his biennial report. This does not appear to be present procedure, although there has apparently been no specific repeal of this provision of the 1921 Act. In practice, organizations desiring state aid deal directly with the Legislature. The Appropriations Committee may request information from the Department of Welfare.

It should also be noted that the Constitution of Pennsylvania (Article III, Sec. 18 as amended) prohibits state appropriations to denominational and sectarian institutions, corporations and associations.

The question of appropriation of state funds to private agencies and institutions has been the subject of several studies in Pennsylvania. As part of the survey of state government authorized by Governor Pinchot in 1921 (which resulted in passage of the first Administrative Code) Kenneth L.M. Pray made a "Study of the Fiscal Policies of the State Subsidies to Private Charitable Institutions by the Commonwealth of Pennsylvania."

In 1933, the Joint Legislative Committee on Finances (Hon. Philip Sterling, Chairman) in its report on "Survey of the Government of Pennsylvania," p.444) questioned "the propriety" of the appropriations of state funds to private homes and agencies.

In 1934, the State Welfare Commission, at the request of Governor Pinchot, studied and reported on State Aid to Private Charitable Institutions and Agencies, and recommended major changes in method of making such appropriations.

The one major change, however, was made in 1923 when compensation to state aided hospitals at a per diem rate for free services rendered was instituted in place of the system of grants-in-aid based on the ability of the hospital to show a deficit.

There is now no consistent pattern for provision of state funds to private agencies and institutions, as will be seen from the following description of the way in which such appropriations are made.

Hospitals

Act 100A of 1951 appropriates $15,993,200 to the Department of Welfare for the 1951-53 biennium to be paid by the Department to the 182 hospitals named in the Act, in the amounts specified in the Act, for the purpose of the maintenance of such hospitals, at the rate of $6.50 per diem, but not to exceed regular ward rate for persons treated, who are entitled to free service, and not to exceed actual cost of per capita service in public wards.

Thus payment is computed at $6.50 per diem on free service rendered, but may not exceed the amount specified in the Appropriation Act. Authority for authorizing this reimbursable "free service" rests with the hospital administration and is controlled in no way by the state.

Act 131A of 1951, appropriates to the Department of Welfare for 1951-53 $1,300,000 to be paid to state aided medical and surgical hospitals and to the Philadelphia General Hospital for part of the cost of training student nurses in approved schools of nursing. Payment from this appropriation is made to such hospitals from time to time at the rate of $150 annually for each student being trained in a hospital. This appropriation is administered under regulations established by the Department of Welfare and the Auditor General.

Institutions and Agencies

Act 77A of 1951 appropriates to the Department of Welfare, $623,925 for 1951-53, to be paid by the Department to 58 institutions and agencies, named in the Act, in amounts specified in the Act, for the purpose of the maintenance of such homes and agencies in the manner prescribed by law.

The 58 institutions and agencies named in the Act are as follows:

32 children's homes
(including institutions for delinquent children)
15 homes or agencies for aged
6 child placing agencies
(one of which is a "children's aid society and home for the aged)"
3 agencies for the blind
1 day nursery
1 for discharged prisoners

There is no provision in the Appropriation Act, specifying how these grants are to be paid. The report of the State Welfare Commission in 1934 stated:

"It is certainly true that in the children's field state aid is given without any regard to the kinds of work done by agencies which are most needed and should, therefore, have a first claim. New agencies are voted state aid without the advice of the Department of Welfare. Private agencies have received aid whose services were a clear duplication to tax-supported public agencies, particularly in the fields of health and education. Agencies are singled out for state aid without recognition of the work done by local public and private family relief agencies. State aid is granted without any clear understanding of the proper functions of child-caring agencies. There are agencies the activities and methods of which are clearly outside the pale of reputable agencies.

"State aid to children's agencies is on the basis of a coverage of an estimated deficit. At any given period the deficit, if any, may not be apparent. It may be an artificial and not a true deficit. At another period the agency may face a very acute deficit and so reports. Frequently funds collected within a given quarter do not appear on the books for that period in order that the agency may show a deficit."

This description probably fits as well in 1952 as it did in 1934.

The Administrative Code (Sec. 2316) gives certain responsibilities to the Department of Welfare with respect to funds appropriated to the Department for payment to hospitals, homes and institutions. This section provides that when money has been so appropriated the Department shall issue requisitions on the Auditor General for warrants on the State Treasurer in favor of such hospitals, homes, and institutions "as shall conform to at least the minimum standards of plant, equipment, service, administration and care and treatment necessary for the proper care and treatment of patients or inmates, as required by the rules and regulations of the department, or established by law, in amounts computed upon the per diem rates of payment established by law for free service to indigent persons ..."

As shown before, only the act appropriating funds for hospitals to pay for free care now establishes a per diem rate.

Act 79A of 1951, appropriates to Sleighton Farm School for Girls, for 1951-53, $521,904.56, "for the purpose of maintenance."

Act 82A of 1951, appropriates to the Glen Mills School - $495,000 for 1951-53, for the purpose of maintenance.

(It should be noted that these latter two appropriations are made directly to the institutions, and not to the Department of Welfare, as is the case of the 58 homes and agencies already discussed.)

The appropriations to Glen Mills and Sleighton Farms are made on a per capita cost basis. The counties pay half the cost of maintenance for persons committed from their jurisdiction and the remainder comes from the state appropriation.

(It should be noted that the only state-owned training school for delinquents is at Morganza in western Pennsylvania . The state appropriations to Sleighton Farms and Glen Mills presumably are to make up for the fact that there is no state-owned institution for delinquents in eastern Pennsylvania.)

Act 102A of 1951 appropriates $945,000 to Elwyn Training School, for 1951-53, but specifically provides that this is in payment of maintenance of 630 wards of the Commonwealth at $750 per capita per year.

This act provides that the appropriation is made on condition that every mental defective admitted to the Elwyn Training School as a ward of the Commonwealth (1) shall be selected by the Department of Welfare from a list submitted by the board of directors of the school, and (2) shall have been previously investigated by the Department of Revenue to determine the extent such mental defective or those liable for his support may be financially able to pay the cost of maintenance of such person in the school.

Discussion of State Aid to Private Agencies and Institutions

Consideration of state aid to private children's agencies and institutions must raise these questions:

(1) Should appropriation of state funds for voluntary children's agencies and institutions be continued?

(2) If so, what criteria should be established for their distribution?

The scope of the present PCA study makes it virtually impossible to include a comprehensive examination of state aid, but since the last such study was made in 1934, the committee may wish to recommend that this question be studied before the 1955 legislative session.

There are, however, some points that can be made now in connection with state aid to private children's agencies and institutions:

1. Unlike many other states, Pennsylvania does not provide state funds to local public child welfare programs.

   (The one exception to this is the provision under the Public Assistance Act, whereby the state reimburses County Institution Districts for maintenance of children who, at the time they are receiving assistance are, at the direction of the court, removed from their own homes and placed in foster or children's homes maintained by a County Institution District.

The practice of appropriating state funds to private children's agencies and institutions started before the development of public welfare services.

In discussing ways in which counties can be encouraged and helped to establish adequate public child welfare services, consideration should be given to the funds annually appropriated to a relatively small number of children's agencies and institutions.

2. In recent years considerable attention has been give to the way in which public funds should be spent, and there has been growing acceptance of the policy that "public money should be spent by public agencies," or at least that "where public money goes, public control should follow."

In 1950 the Child Welfare League of America issued a statement of Principles and Policies on Public Child Welfare, which was developed after considerable study and discussion by a Committee on Public Welfare Policy of the League. With respect to payment of public funds to private agencies, the statement of the League is as follows:

> "It is sound in principle for state and local public welfare departments to utilize, on a case by case purchase of care basis, child care facilities under private auspices when they meet standards of child care as established by such state public welfare departments and when the private facilities offer a needed service for the individual children concerned. When public funds are paid to private organizations, they should be given only in payment of care of individual children for whom the public welfare agency has accepted responsibility."

The Committee may wish to consider whether the present practice of appropriating lump sums to children's agencies and institutions should (1) be changed to a per capita per diem payment for maintenance, and (2) be based on direct public responsibility for the individuals served.

It may also wish to consider the advisability of recommending that the funds now directly paid to private agencies and institutions be used - along with additional funds - to provide grants-in-aid to counties for child welfare services. Payment could then be made by the counties to private agencies or institutions for purchase of service on an individualized basis.

Mary T. Denman

I

VOCATIONAL REHABILITATION

Background In 1919, by act of the Legislature (1919 July 18, P.L. 1045), the Bureau of Rehabilitation was established in the Department of Labor and Industry, and the Commissioner of Labor and Industry was given power "to supervise and direct the rendering of certain physically handicapped persons fit to engage in remunerative occupations ..."

In 1921, by act of the Legislature (1921 Mar. 2, P.L. 12) the State accepted the benefits provided under the Federal Vocational Rehabilitation Act of 1920, and designated the State Council of Education as the State Board for the purpose of cooperating with the Federal Board for Vocational Education in providing vocational rehabilitation. It further provided for cooperation between the State Council of Education and the Department of Labor and Industry in providing such rehabilitation.

The Administrative Code of 1923 (1923 June 7, P.L. 498, Art. I, Sec. 2) abolished numerous bureaus, including the Bureau of Vocational Rehabilitation in the Department of Labor and Industry. (The 1923 Code provided, and the later 1929 Code provides, that heads of departments shall, subject to the approval of the Executive Board, establish such bureaus or divisions as may be required.)

In 1937, an act (1937 May 28, P.L. 274) provided that, in administering Federal aid for vocational education the State Council of Education (a departmental administrative board in the Department of Public Instruction) is designated as the State Board of Vocational Education.

Present Legislation for Vocational Rehabilitation In 1943, Congress enacted a new Federal Rehabilitation Act (Barden-Lafollette Act of July 3, 1943, Public Law 113.) It provides for Federal funds for states which have submitted and have had approved by the Federal Security Administrator, State plans for vocational rehabilitation of disabled individuals.

Such state plans shall, (among other requirements) --

> "Designate the State board of vocational education (herein referred to as the 'State Board') as the sole agency for the administration, supervision, and control of the State plan; except that where under the State's law, the State blind commission, or other agency which provides assistance or services to the adult blind is authorized to provide them vocational rehabilitation, the plan shall provide for administration by such State blind commission or other State agency of the part of the plan under which vocational rehabilitation is provided the blind: Provided, That in any State which by law has

established a rehabilitation commission prior to the date of enactment of this Act, with authority to provide rehabilitation services to disabled individuals, the State board may delegate to such commission all or any part of the operation of the State plan, under a written agreement of cooperation approved by the Administrator;

"Contain such provisions as to personnel in the administering the plan as are necessary to the establishment and maintenance of a merit system ..."

The American Foundation for the Blind and other workers for the blind insisted that rehabilitation of the blind be in the hands of state commissions for the blind or other state agencies providing services to the blind instead of under the state boards of vocational education, as originally provided.

In 1945, the Pennsylvania Legislature enacted a new state vocational rehabilitation act (1945, May 22, P.L. 849) to conform to the new Federal Act. The State Council of Education (a departmental administrative board in the Department of Public Instruction) is designated as the State Board of Vocational Education, and also as the State Board of Vocational Rehabilitation.

The 1945 Act provides that, except as otherwise provided by State law with respect to vocational rehabilitation of the blind, the State board shall provide vocational rehabilitation services to disabled persons eligible for such services. The State board is authorized to administer Federal funds made available to the State for vocational rehabilitation.

The Secretary of Labor and Industry is the chief executive officer for vocational rehabilitation of the State Board of Vocational Education (which by definition is the State Council of Education and the Secretary of Labor and Industry.) Moneys received from the Federal Government and moneys contributed by the State are paid into a special fund in the State Treasury called the "Vocational Rehabilitation Fund," subject to requisition by the State board through its executive officer.

The 1945 Act is not clear as to the relationship of the State Board of Vocational Education and the Bureau of Rehabilitation to the Department of Public Instruction and the Department of Labor and Industry.

As stated before, the Administrative Code of 1923 abolished the Bureau of Rehabilitation as a statutory bureau in the Department of Labor and Industry, but a Bureau of Rehabilitation was later re-established in this Department by administrative action.

The State Council of Education is a Departmental Administrative Board in the Department of Public Instruction. This Council with the addition of the Secretary of Labor and Industry, constitutes the State Board of Vocational Education, also designated as the State Board of Vocational Rehabilitation. The Act does not state whether this Board is an independent administrative board or whether it is an administrative board within the Department of Labor and Industry or the Department of Public Instruction.

Although the Bureau of Rehabilitation had been abolished in 1923, as a statutory bureau, it is referred to in the 1945 Act as follows:

> "The Bureau of Rehabilitation in the Department of Labor and Industry shall be administered, supervised and controlled by the State board, and all persons employed by the Department of Labor and Industry and the Department of Public Instruction in administering the laws relating to vocational rehabilitation on the effective date of this act shall become and are employees of the State board. ...All files, records and equipment of the Department of Labor and Industry and Department of Public Instruction pertaining to the administration of the laws relating to vocational rehabilitation shall become the property of the State Board of Vocational Education designated as the State Board of Vocational Rehabilitation."

The Director of the Bureau of Rehabilitation of the State Board of Vocational Education states that the State Board and the Bureau are independent; not located within any administrative department. The Pennsylvania Manual for 1949-50, however, shows the State Board and the Bureau in the Department of Labor and Industry, and in the General Appropriations Act of 1951 there is included in the appropriation to the Department of Labor and Industry an appropriation of $1,800,000 for 1951-53 for use by the State Board of Vocational Rehabilitation in "purchasing artificial appliances for and the payment of maintenance costs of physically handicapped persons in training, including the deaf and hard of hearing, and in paying all other expenses necessary in carrying out the provisions of the Rehabilitation Act."

<u>Personnel of Bureau of Rehabilitation</u> With the exception of physicians all staff is selected from civil service lists, on the basis of personnel standards set up by regulations of the State Board. Such provisions are required under Federal act providing for Federal funds to states for vocational rehabilitation.

<u>Bureau Organization</u> The central office of the Bureau located in Harrisburg, has four sections:

Division of Rehabilitation Standards, which includes occupational and physical restoration service, research and statistics;

Operation section

Public Information

Administrative Standards and Services

At present there are nine district offices:

Altoona, DuBois, Erie, Philadelphia, Pittsburgh, Reading, Wilkes-Barre, Williamsport.

Cooperation with other State Agencies — The Bureau of Vocational Rehabilitation has agreements with

(1) Department of Public Assistance

(2) Pennsylvania State Employment Service

(3) Department of Health

Referrals are received from these and other public and private agencies.

A State Committee has been established consisting of representatives from State agencies concerned with employment: the Bureau of Rehabilitation, the Pennsylvania State Employment Service and the Department of Public Assistance.

Financing — The State appropriated $1,800,000 for 1951-53 biennium. Federal funds are provided to pay total cost of administration and guidance, and one-half of the cost of case service. State funds provide half the cost of case service, which includes physical restoration, appliances, and maintenance during rehabilitation.

Vocational Rehabilitation of the Blind — The State Council for the Blind is a Departmental Administrative Board in the Department of Welfare. It consists of the Secretary of Welfare, Superintendent of Public Instruction, Secretary of Labor and Industry, and four members, appointed by the Governor, one of whom must be a blind person.

One of the four sections into which the work of the State Council for the Blind is divided is the section on Vocational Rehabilitation of the Industrially Blind.

State and Federal funds for vocational rehabilitation of the Blind are administered by the Council. Services are provided through four district offices and two sub-district offices as well as through the central office in Harrisburg.

The Administrative Code (Sec. 2320) specifically empowers the Council for the Blind to provide for the industrially blind -- medical and surgical treatment, appliances, vocational guidance, counseling, training and maintenance for medical and training purposes. This section further authorizes the Council for the Blind to administer Federal funds available to the State for this purpose.

Personnel Only those persons employed by the Council in the Vocational Rehabilitation section are chosen under civil service procedures. This is a requirement for receipt of Federal funds. All other employees of the State Council for the Blind must be politically sponsored.

Financing The 1951 General Appropriation Act appropriates to the State Council for the Blind for 1951-53 biennium, $233,300 for vocational rehabilitation and $435,000 for the other expenses and services of the Council. In addition to this $233,300 the Council administers the Federal funds paid to Pennsylvania for vocational rehabilitation of the blind.

STAFF REPORT ON PENAL AFFAIRS

Two principal questions have occupied the attention of PCA investigators in their examination of the administrative structure and operation of the State's correctional system.

1. How is the present system organized and administered?
2. What structural or organizational changes are required to give Pennsylvania a modern penal system?

Present Organization and Function The Administrative Code outlines the responsibilities and authority of the Welfare Department for penal affairs as being (a) supervision, (b) visiting and inspection, (c) promulgation of rules and regulations, (d) prison labor, (e) classification and transfer of prisoners and (f) promotion of crime prevention. The most recently published report of a Welfare Secretary (Charles R. Barber, 1948) stated that the Department had powers to "direct, supervise, inspect and recommend changes in physical and administrative standards, and the establishment of academic vocational and religious training programs in all the penal and correctional institutions within the Commonwealth."

In the discharge of the foregoing duties the relationship between the Welfare Department and State-owned and operated penal institutions is not essentially different from the Department's relationship with county, city or borough jails or lockups. State institutions come under departmental authority to classify and transfer prisoners, while local institutions do not. The Department also has certain financial

and construction responsibilities for State institutions. Otherwise, the two systems relate in much the same way to the Welfare Department. The direction and control of property and management of State institutions in no sense lies in the Department, but with the separate Boards of Trustees of the institutions. This rather odd administrative picture emphasizes the fact that Pennsylvania does not have a single, centrally directed State penal system, but has rather a group of loosely related parts of a system. Whether the Department does "direct and supervise . . . all correctional institutions within the Commonwealth" seems open to serious question.

The actual work of the Bureau of Penal Affairs covers functions as follows:

1. Inspection of correctional institutions.

According to the Bureau there are

420 City and borough lock-ups

68 County prisons

7 State institutions

3 Other types

requiring State inspection in Pennsylvania. Annual visits must be made. The Bureau estimates that each county institution requires one day per inspection; while at least a week is needed for each State institution. Local lock-up inspections require varying periods of attention.

2. Transfer of prisoners between institutions.

A large share of transfers are occasioned by efforts to relieve crowding at Eastern and Rockview State institutions. The Chief of the Bureau of Penal Affairs stated that space is scarce in these institutions, primarily because of racial segregation practices which prevent flexibility of use. In interviewing inmates in connection with transfer procedures, the Bureau staff makes an effort to place the prisoner in the institution best suited to his need. PCA investigators were told rather cryptically in this connection that "we try to protect the Secretary so he will not be criticized" because of poor transfer practices.

3. Investigation of complaints and requests made in letters from inmates.

4. Receipt and filing of institutional reports.

No evidence was presented to indicate these reports serve as any particularly important function in administrative planning or program development. The Chief of the Bureau of Penal Affairs concluded a discussion of this point and summed up their usefulness by saying, "We look at them and get a pretty good idea of what is going on."

The study staff of PCA reached the following conclusions from its direct inquiry of the State's penal organization, and from its various conferences with penal authorities throughout the State.

1. The present organization in no sense represents a unified State penal system. Each institution operates with a large degree of autonomy.

2. The Bureau of Penal Affairs is primarily a central clearing house for prisoner transfers and statistical reports.

3. The Prisoner Industries personnel and organization seems to be alert and competent, although the staff view of this operation was very brief.

4. Professional leadership and central direction of the penal system from the Welfare Department is practically non-existent.

Possible Lines of Reorganization and Improvement

Various proposals have been made during the past decade for improving the penal program in Pennsylvania. The Ashe Report in 1945 offered a program primarily concerned with new construction. PCA's 1945 reorganization report recommended the organization of a new Department of Corrections as the way to secure a modern penal system for the State.

It is the belief of the staff that most of the proposals skirted the primary problem, namely the need for skilled and courageous leadership operating within a unified centrally directed penal system.

New construction will not meet the need for modern intra-mural treatment programs. It is here assumed that Pennsylvania has passed the stage of maintaining penal institutions on the "eye for an eye" punishment principle alone; that rehabilitative programs and sensible psychiatric treatment are at least equally important with confinement and retaliation.

The formation of a separate penal administrative unit with departmental status will not in itself change the fact that Pennsylvania's prisons are directed by many separate and politically appointed boards of trustees; that inspections of most institutions represent merely a superficial device for meeting the letter of the law; that little or no attention is given by the State to crime prevention; that most institutions do not have personnel trained to administer a modern treatment and classification program; that a central classification center would have few, if any, resources for carrying out its work of planned and individualized treatment.

It would seem, therefore, that the actual solution to the "economy and efficiency" problem in Pennsylvania's penal system is :

1. Legislation giving real administrative authority to a penal affairs chief, whether he be titled Secretary, deputy or bureau chief, by amending the Administrative Code to transfer to this administrator the powers and duties now allocated to the separate Boards of Trustees.

2. Legislation specifying certain advisory responsibilities for institutional boards.

3. Legislation requiring all key supervisory and professional penal personnel to be selected on the basis of merit alone.

4. The organization of a strong central administrative unit which will give professional leadership to the State both in the field of institutional administration and in crime prevention.

K.

STATE EXPENDITURES FOR AND ADMINISTRATION OF CHILD WELFARE SERVICES AS RELATED BOTH TO LOCAL RESPONSIBILITY FOR SUCH SERVICES AND TO PUBLIC ASSISTANCE FOR DEPENDENT CHILDREN

Organization within State Department of Welfare

The Division of Supervision and Licensing

The State Department of Welfare, through the Bureau of Children's Services, is responsible for supervision and inspection of all children's agencies and institutions, public and private, within the State. It is also responsible for licensing certain boarding homes for children and for enforcement of the Act with reference to bringing dependent children into this State. These responsibilities are carried by the Division of Supervision and Licensing of the Bureau of Children's Services.

The county institution districts, of which the County Commissioners are the responsible authorities, are subject to supervision and inspection by the Department of Welfare. The eighteen counties which receive Federal funds through the Division of Rural Child Welfare are supervised by and receive consultant services from this Division. The child welfare programs of the other county institution districts are supervised by the Division of Supervision and Licensing.

Cost of Administration - Division of Supervision and Licensing.

It is not possible to ascertain from the General Appropriation Act what part of the $1,122,000 appropriated to the Department of Welfare to pay administration costs of the Department for the 1951-1953 biennium is for administration of the child welfare responsibilities of the Department.

Personnel

Staff of the Division of Supervision and Licensing is not under Civil Service; appointments must be politically sponsored.

The Division of Rural Child Welfare

Following passage of the Federal Social Security Act, which includes provision for Federal grants-in-aid to states for child welfare services, by executive order in 1935, a unit was established in the Department of Welfare to administer the Federal grants to Pennsylvania. This unit is now the Division of Rural Child Welfare in the Bureau of Children's Services. This Division is financed by Federal funds granted to Pennsylvania on the basis of a plan developed jointly by the Department of Welfare and the U.S. Children's Bureau. These funds are used to pay part of the cost of county child welfare services in areas predominantly rural and for developing State services for the encouragement and assistance of adequate methods of child welfare work in areas predominantly rural and other areas of special need.

Cost of Administration

Federal funds granted to Pennsylvania for Child Welfare Services for the year 1952-1953 amount to $338,355. Eighteen counties are affiliated with this Division and part of the cost of their child welfare program is paid from Federal funds granted to the State for this purpose. Federal funds also pay the cost of the

State administration of this program and for the consultant and supervisory services provided by the Division of Rural Child Welfare.

Personnel

The staff of this Division is appointed on a merit basis from civil service lists.

State Aid in financing Child Welfare Services

Pennsylvania is one of the few states which do not provide state aid to help counties finance child welfare programs.

Under provisions of the County Institution District Act of 1937, the County Commissioners, as local authorities of the Institution Districts are responsible "to place in foster homes or in institutions or homes for children all dependent children who are in, or committed to their charge, and whose placement and care are not otherwise provided for by law."

Rural Child Welfare Services

As was noted above, in eighteen counties affiliated with the Division of Rural Child Welfare, all or part of the cost of salaries of child welfare workers, as well as some other costs of the county child welfare program, are paid from Federal funds granted to the State under provisions of the Social Security Act. No state money, however, is appropriated for this purpose.

Juvenile Court

Under provisions of the Juvenile Court Act of 1933, where proceedings are brought in Juvenile Court involving dependent or neglected children, if the Court directs that such children be placed in foster homes or children's institutions the county may be ordered to pay the cost of the child's care and maintenance.

Aid to Dependent Children

This program, which is financed by State and Federal funds, is administered by the State Department of Public Assistance and by county boards of assistance, appointed by the Governor. It provides financial a id for dependent children living in their own homes or with relatives. The counties have no financial responsibility for this program.

In August, 1952, there were 77,974 children in families receiving ADC. For 1951, the total amount (State and Federal funds) spent for ADC was $40,748,350.

Reimbursement to County Institution Districts by Department of Public Assistance under Mallery Act of 1949

By a 1949 amendment to the Public Assistance Act it was provided that children would be eligible for assistance, "who at the time they are receiving assistance, are at the direction of the court removed from the home of their parents and placed in foster homes or children's homes maintained by a county institution district."

Under an opinion of the Attorney General, the Department of Public Assistance reimburses county institution districts whose child welfare programs have been approved by the Department of Welfare, for maintenance of children eligible for assistance under this Amendment of the Public Assistance Act.

In 1951, $127,862.21 was paid under this Act to 46 counties for care of 567 children. By the end of June, 1952, two more small counties had requested reimbursement for care of a few children. Nineteen counties, including Philadelphia and Lackawanna, had not participated as of June, 1952. Some county institution districts have not been approved for reimbursement; some have not requested reimbursement.

Although State reimbursement is being made to counties under this Act for only a small number of the children being maintained by counties, nevertheless, this Act furnishes a precedent for payment of State funds for maintenance of children away from their own homes.

Medical Services for School Children

The Department of Public Assistance also administers the School Medical Assistance program, the purpose of which is to furnish follow-up care or remedy physical defects disclosed in the school health examination of children.

Under this program children of families receiving assistance may be furnished medical care which is not available under the regular medical care program of the Department. Also, children not receiving assistance may be eligible for care under the School Medical Program, provided the family has been found to be financially eligible according to the standards established for the program.

The 1951 Appropriation Act provides that up to $1,000,000 of the appropriation to the Department of Public Assistance for the 1951-1953 biennium is for the purpose of providing necessary medical, dental and surgical care for school children.

In 1951, approximately $132,000 was expended by DPA for treatment of 6600 appliants for care under the School Medical Program.

State aid to private children's agencies and institutions

For many years, Pennsylvania has appropriated State funds to various private children's agencies and institutions.

For the biennium 1951-1953, $352,700 was appropriated to 38 such agencies and institutions.

Article III, Section 18 of the Pennsylvania Constitution provides that "no appropriation shall be made for charitable, educational, or benevolent purposes to any person or community nor to any denominational or sectarian institution, corporation, or association ... " There is no constitutional prohibition against payment of county funds to sectarian agencies or institutions, and many children are under care of such agencies and institutions, with maintenance paid from county tax funds.

STAFF REPORT ON STATE VETERANS' RELIEF

The Commonwealth of Pennsylvania through the State Veterans' Commission in the Department of Military Affairs provides rehabilitation and care and assistance to needy Pennsylvania veterans of any war and their dependents. This program is not administratively related to the public assistance program administered by the Department of Public Assistance and County Boards of Assistance.

For the 1951-53 biennium the appropriation to the State Veterans' Commission is $1,300,000, which includes in addition to funds for veterans' relief, traveling expenses, salaries, wages of employes and other authorized disbursements of the Commission.

The State Veterans' Commission is a departmental advisory board in the Department of Military Affairs, but the appropriation for veterans' relief and for the expenses of the Commission is made to the Commission.

The Commission consists of the Adjutant General and five members all of whom must be veterans and members in good standing of a recognized national veterans organization active in the Commonwealth.

Under the rules and regulations adopted by the Commission for administration of veterans' relief, funds are allocated to counties based on the number of war veterans in the county.

Aid is on a temporary basis only, continuing for a maximum of three months, except in unusual circumstances when extension may be granted by the Commission. Grants provide for food, milk, and partial payment of rent. Maximum monthly payment for rent is $27.50. Assistance is for the most part limited to grants to provide for dependents of hospitalized veterans, and is provided only on the basis of need. All relief is in the form of orders, granted under supervision of service officers of local veterans' organizations.